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VIETNAM'S FUTURE POLICIES AND ROLE
IN SOUTHEAST ASIA

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COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

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LETTER OF TRANSMITTAL

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
Washington, D.C.

DEAR MR. CHAIRMAN: At the request of the Subcommittee on East Asian and Pacific Affairs, the Congressional Research Service has prepared a study entitled "Vietnam's Future Policies and Roles in Southeast Asia." The Subcommittee requested the study in the belief that U.S. policy toward Southeast Asia has entered a new stage since the Vietnamese invasion of Kampuchea in January 1979. After a period of U.S. disengagement from that region after the Vietnam war, the United States has stabilized its presence and has begun a more activist role. It has increased aid to the countries of the Association of Southeast Asian Nations (ASEAN) and has reaffirmed security commitments to treaty allies, Thailand and the Philippines. American diplomacy has emphasized cooperation with ASEAN and China in dealing with the Vietnamese takeover of Kampuchea and the expanding Soviet military presence in Indochina.

Southeast Asia today presents a complex situation for the United States. U.S. policy operates on at least three levels with respect to Vietnam. Vietnamese policies and links with the Soviet Union are an important factor in U.S. attempts to increase cooperation with China against the Soviet Union. U.S. policy toward the ASEAN states emphasizes cooperative diplomacy toward Vietnam and support for the security of Thailand, ASEAN's front-line state. Finally, the United States is engaged in humanitarian efforts to improve conditions brought about by Vietnamese actions, particularly with respect to the livelihood of Indochina refugees and the still uncertain status of 2,500 U.S. servicemen listed as missing in action from the Indochina conflict.

In requesting this study, the Subcommittee believed that in light of this complex and changing situation, the Congress needed a comprehensive evaluation of Vietnam's policies that will affect future U.S. decisions regarding Southeast Asia. The study examines Vietnamese policy from several perspectives, including the domestic political side, the status of the Vietnamese economy, Vietnam's policies toward Laos and Kampuchea, its relations with ASEAN, and its interactions with the major powers. The study attempts to lay out Vietnamese objectives in each of these spheres, the strategy employed to achieve goals, and the apparent priorities the regime in Hanoi assigns to its objectives and relationships.

The study concludes that Vietnam will be an unsettling element in Southeast Asia for a number of years to come. It predicts that Vietnam will show little compromise in its domination of Laos and Kampuchea and that its relations with China will likely remain hostile. This, in turn, will help to preserve Vietnamese-Soviet ties. The future of Viet-

namese-ASEAN relations is more uncertain, but a number of indicators exist to aid in evaluating Hanoi's future policies. Vietnam's approach toward Thailand may be the most important factor.

The study contends that China and the Soviet Union dominate Vietnam's perceptions of its relations with the major powers. This limits the influence the United States may exercise on Vietnamese policy. Nevertheless, the United States may be able to influence indirectly the policy choices open to Vietnam, especially on Kampuchea. The study points up the possible importance of future U.S. policy decisions on Kampuchea in the context of an apparently growing divergence between ASEAN and China over strategy toward Vietnam. It sets out a possible choice for the United States between a China-centered policy that seeks to weaken Vietnam over the long term until Hanoi adopts fundamentally new policies or an ASEAN-centered policy that emphasizes Kampuchea and security support for Thailand and seeks to keep the door open for a negotiated settlement of the Kampuchean issue.

The study was prepared by Dr. Larry A. Nicksch, Specialist in Asian Affairs; Dr. Robert G. Sutter, Specialist in Asian Affairs; and Dr. Pham Chi Thanh of American University, Consultant under Contract to the Congressional Research Service. Eleanor A. Fullerton of the Congressional Research Service provided editorial assistance, and Carolyn E. Colbert was responsible for typing and reproduction.

The findings in this report are those of the authors and do not necessarily reflect the views of the Committee on Foreign Relations, the Subcommittee on East Asian and Pacific Affairs, or the Congressional Research Service.

S. I. HAYAKAWA,

Chairman, Subcommittee on East Asian and Pacific Affairs.

JOHN GLENN,

Ranking Minority Member

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INTRODUCTION

U.S. policy toward Southeast Asia has gone through two distinct stages since the United States withdrew its forces from South Vietnam in 1973. The advent of the Reagan Administration may signal the start of a third stage. Until 1978, the effects of the war, including the collapse of South Vietnam in 1975, resulted in a general feeling in the American body politic that would countenance no substantial American involvement in the Southeast Asian region. The American presence declined as the United States removed its forces from Thailand in 1976, reduced aid to Thailand and other member states of the Association of Southeast Asian Nations (ASEAN), and began to consider a withdrawal from American-operated bases in the Philippines.

Beginning in 1978, a number of factors and forces emerged which caused the United States to reconsider disengagement and stabilize its presence. The rivalry between the Soviet Union and China in Southeast Asia escalated in the wake of the refugee exodus from Vietnam and Vietnam's preparations to invade Kampuchea. This enhanced Southeast Asia's role in U.S. relations with Moscow and Beijing. Moreover, an awareness developed that the United States faced a new security problem in the expansion of Soviet naval and air power in the Western Pacific, and the problem was accentuated by the Soviet military use of base facilities in Vietnam. The Soviet naval challenge brought forth concern over the security of sea transport routes through Southeast Asia over which oil supplies flowed from the Middle East to Japan and other U.S. allies in East Asia. Consequently, China and Japan joined the ASEAN states in pressuring the United States to remain involved in the region. Finally, the publicized plight of Indochinese refugees brought Southeast Asia back into the consciousness of Americans.

These factors influenced several U.S. decisions. The Carter Administration decided to seek retention of U.S. base rights in the Philippines, and an agreement with the Philippines Government was signed in January 1979. The Seventh Fleet stepped up its missions through the Southeast Asian straits into the Indian Ocean. In May 1978, it was disclosed that the U.S. Navy was using Tengah airfield at Singapore as a support facility for reconnaissance flights over the Indian Ocean. Congress took the initiative in 1979 and increased foreign military sales credits to Thailand for fiscal year 1980. The Carter Administration airlifted arms to Thailand following the Vietnamese incursion into that country in June 1980. The United States has also become directly involved in aiding the Indochinese refugees.

Vietnam (the Socialist Republic of Vietnam—SRV) has been a principal factor in most of these decisions, and it has been the central focus of most of the policies of the parties that are involved in South-

east Asia. Soviet and Chinese policies for the region emphasize Vietnam, and the ASEAN countries regard the SRV as a major political and security problem. Thus, the future matrix of relationships among these states appears to be closely linked to the decisions of the Vietnamese leadership.

The Reagan Administration has given new emphasis to Vietnam in the context of an Asian policy designed to confront the Soviet challenge in Asia partly through increased security cooperation with China. Administration officials have stated that the Soviet Union's actions in Afghanistan and Vietnam-occupied Kampuchea (Cambodia) will be prime factors in influencing United States-Soviet relations. During Secretary of State Haig's visit to China and Southeast Asia in June 1981, U.S. officials pledged greater efforts to pressure Vietnam to withdraw from Kampuchea and end its military cooperation with the U.S.S.R. The administration has moved closer to Thailand, including agreements which allow the United States to use Thai air bases for reconnaissance flights and refueling of transport aircraft.

Future Vietnamese policies have a bearing on several responsibilities of the Congress. Congress has closely scrutinized security assistance to Thailand since 1979, mainly because of the buildup of Vietnamese forces in western Kampuchea near the Thai border. This scrutiny undoubtedly will continue, as the Reagan Administration has reemphasized Southeast Asia in U.S. overseas security policies. It has requested \$80 million in security assistance to Thailand for fiscal year 1982—\$30 million more than the program for fiscal year 1981. Of this, \$50 million would be on direct credit concessional terms of 3–6 percent interest over 12 years. The part of the program for training Thai military personnel is to grow from \$770,000 to \$2 million. The Reagan Administration is also requesting for fiscal year 1982 a hike in economic assistance to Thailand from \$22 million in fiscal year 1981 to \$35.8 million. Other increases in security assistance are slated for Malaysia and Indonesia.

Both the Carter and Reagan Administrations have stated that the U.S. defense commitment to Thailand under the Southeast Asian Collective Defense Treaty remains valid. Neither have said what specific action the United States would take if Vietnam attacks Thailand. If the situation in Southeast Asia deteriorates into a Vietnamese-Thai war, Congress undoubtedly would want a role in determining U.S. action. The Collective Defense Treaty refers to U.S. action in accord with "constitutional processes," and the War Powers Act would govern direct military involvement.

Issues involving Indochina and the Vietnamese role there have been of concern to Congress. Congress has legislative responsibility for aid to Indochinese refugees, including assistance in their resettlement. It would have similar responsibility with regard to any move by the Reagan Administration to extend aid to non-Communist insurgent groups in Kampuchea. This issue arose in 1981 due to Chinese requests that the United States take such action, appeals for aid by insurgent leaders, and growing sentiment among some ASEAN governments in favor of military aid to non-Communist Khmer resistance groups. Finally, several congressional committees have continued investigations of the status of American missing in action (MIAs) in Indochina.

This study will examine current Vietnamese policies—both internal and external—and analyze future policy options. It will outline the policy decisions and actions taken by Vietnam since the end of the Vietnam War in 1975. Attention will be given to setting out, wherever possible, the policy options the Vietnamese faced in arriving at these decisions. This will provide some idea of Hanoi's priorities and motivations.

This analysis will be the basis for evaluating future Vietnamese policies. Where it appears evident, the study will point to the most likely SRV course over the next few years. Alternatives will also be discussed as well as the possible influences of external forces.

The following policy areas will be covered: internal political, internal economic, Laos and Kampuchea, China and the Soviet Union, ASEAN, and the United States. The study will conclude with an assessment of future U.S. policy options.

INTERNAL POLITICAL POLICIES AND LEADERSHIP

BACKGROUND TO CURRENT POLICIES

Since the founding of North Vietnam in 1954, the regime in Hanoi has created and governed a highly centralized, Soviet-style totalitarian state, dominated by the Communist Party and organized according to Marxist-Leninist concepts. Within this setting, Western values emphasizing the individual are subordinate to the view of the individual as part of an ideologically motivated and organized collective mass striving to achieve the goals set by the government and the Communist Party. The Political Committee of the party makes fundamental policy decisions. Members of the Political Committee also occupy the highest positions within the government, and the government and party maintain parallel bodies running down to the lowest level of administration. The party also operates front organizations to help mobilize the people and give the impression of popular support and participation.

The Hanoi government imposed this system on the South quickly after its military victory in 1975. It implemented formal unification of the North and the South within one year. It banned non-Communist political parties in the South and conducted elections in April 1978 controlled by the Communist Party and its front organizations. The press, education, and literature came under government authority and censorship. The regime reportedly incarcerated several hundred thousand individuals in "re-education camps" for varying periods. These included persons associated with the former South Vietnamese Government, members of "reactionary" political parties, and intellectuals and professionals. Reports indicate that 100,000 to 300,000 have been incarcerated under poor living conditions.¹ Numerous accounts from Vietnamese refugees have told of tight control of the citizenry by party cadre, discrimination against persons of "bourgeois" background, and coercive measures used to force people to live in the "New Economic Zones" that have been established in remote rural areas. The regime has also placed restrictions on the activities of religious organizations.²

In 1977, the Political Committee decided to begin the imposition of a Communist economic system in the South. This involved the collectivization of agriculture and the elimination of private businesses. Consequently, the government ordered, in March 1978, an end to "bourgeois" trade and nationalized 30,000 private businesses in the South.³ The latter act helped to produce the mass exodus of several

¹ Asian Wall Street Journal, June 5, 1980; New York Times, January 14, 1980. The Vietnamese Government in the late 1970's acknowledged that the camps held 50,000. The government currently states that it holds 20,000.

² For some of these accounts, see New York Times, January 22, 1978 and May 31, 1978; Asian Wall Street Journal, June 21, 1978; Washington Post, February 10, 1978.

³ Washington Post, April 5, 1978.

hundred thousand Vietnamese refugees from the spring of 1978 until mid-1979. Vietnamese of Chinese descent were especially hurt by the nationalization and left the country in large numbers. Accounts by refugees and evidence uncovered by independent experts suggest that the SRV government instigated the expulsion of large numbers of these people.

The issues of Vietnam's conflicts with China and Kampuchea and the steady deterioration of economic conditions and living standards have exercised the most influence on Vietnamese political life since 1978.⁴ Outside the government, these developments have produced signs of popular discontent but no mass resistance. Reported manifestations of negative response include efforts by young Vietnamese in the South to avoid the military draft (including leaving the country), food demonstrations, the re-emergence of the black market as a cardinal feature of the urban economy, sharp rises in crime, the return of thousands from the New Economic Zones, avoidance of mandatory political classes, actions by peasants in the South to slow the imposition of collectivization, and general disobedience to government directives.⁵ No organized opposition has appeared in the cities, but reports indicate the existence of resistance groups in the countryside. A "United Front for Liberation of Oppressed Races" (FULRO) is believed to operate in the Central Highlands among the ethnic minorities of that region, possibly with support from China.⁶ Other accounts tell of bands of former South Vietnamese soldiers organized into several guerrilla bands in the Mekong Delta. Few if any observers believe that these groups currently pose a threat to the regime's control.

The government has reacted by intensifying certain coercive measures. The government continues to detain thousands of people in the re-education camps and prisons. It has emphasized enforcement of the draft and has decreed that all males 18-45 and females 18-35 must join the militia and that workers undertake compulsory military exercises. The size of the armed forces has expanded from 600,000 to 1.1 million. Ideological training has been stressed in the military and civilian sectors. The government and the Communist Party have publicized widely the need to combat crime and subversion. On the other hand, the regime apparently has backed away from further imposing the New Economic Zones and Communist economic institutions in the South.⁷

The main thrust of the government's political approach to these problems has stressed the internal composition of the government and the party. Changes in personnel at the top of the government and the party and a purge of party ranks have occurred since 1979 with three intended results: the elimination of corrupt, inefficient, or pro-Maoist cadre; the removal of potential opponents of Le Duan, First Secretary of the Communist Party; the improvement in management of the

⁴ For a description of the deteriorating economy and living standards, see: Pike, Douglas. *Vietnam in 1980: The Gathering Storm*, Asian Survey, January 1981, pp. 84-87.

⁵ *Ibid.*, pp. 87-88; Ton Long, *Escape into Laughter*, Far Eastern Economic Review, November 6, 1981, pp. 46-47.

⁶ *Christian Science Monitor*, March 18 and May 21, 1980; Dawson, Alan, *Hilltribes Fight Guerrilla War Against Hanoi for Independence*, Asia Record, August 1981, p. 12. China and the Khmer Rouge have spoken approvingly of FULRO in recent commentary.

⁷ For recent accounts of government policies, see *Asian Wall Street Journal*, June 5, 1980; *Far Eastern Economic Review Yearbook*, 1981, pp. 262-264. Turlev, William S. *Hanoi's Domestic Dilemmas*, *Problems of Communism*, July-August 1980, pp. 42-61. *New York Times*, Aug. 14, 1981.

economy. Le Duan generally is considered to be the most powerful figure in the ruling hierarchy and the architect of Vietnam's current internal and external policies.

The regime began to criticize corruption and inefficiency within party ranks in 1978, and it announced in May 1979 a program to review the qualifications of party members—in short a purge. It coupled the purge with efforts to recruit new members, preferably younger people. Reportedly, at least one-third of the membership of 1.5 million may be purged.⁸ The recruitment drive has drawn heavily from the military; statistics for early 1980 indicated that approximately 70 percent of new members came from military organizations and more than 90 percent were under 30 years of age.⁹ By March 1981, the party leadership claimed to have recruited 215,000 new members.¹⁰

The purge of Political Committee member Hoang Van Hoan in 1976, along with four members of the party's Central Committee, constituted a move by the Le Duan leadership to oust potential opponents of Hanoi's pro-Soviet and anti-China policies. Hoang fled to China in 1979 where he has openly called for the overthrow of the "Le Duan Clique." As relations with China and Kampuchea deteriorized in 1978, the leadership reportedly rebuffed others who advocated a softer approach on these issues and urged a slowing of the pace of imposition of collectivization in the South.¹¹

The government instituted major leadership changes in February 1980 and March 1982. General Vo Nguyen Giap retired from his position as Defense Minister and member of the Political Committee. He was succeeded as Defense Minister by Van Tien Dung, Chief of the General Staff and reportedly the architect of the successful 1975 offensive against South Vietnam and the 1979 invasion of Kampuchea. General Dung also moved up in rank on the Political Committee. Le Trong Tan, a Soviet and East German trained officer who also was important in planning the 1975 offensive, was named Chief of the General Staff. Lt. General Le Duc Anh, SRV military commander in Kampuchea, joined the Political Committee in March 1982. Nguyen Co Thach became Foreign Minister in 1980, whose functions he had been exercising since 1978. Pham Hung, a long-standing member of the Political Committee and Communist leader in South Vietnam during the Vietnam war, was named Minister of the Interior in 1980. The chairman of Vietnam's State Planning Commission was fired, and his deputy took over. Other personnel changes and ministerial reorganizations reflected the governments attempts to deal with the declining economy.

A number of observers concluded that the leadership changes reflected a consolidation of Le Duan's power and enhanced support in the hierarchy for his policies of aggressively pursuing the efforts to consolidate Vietnam's control over Kampuchea, promoting the alliance with the Soviet Union, and maintaining strong political controls at home. A number of the new appointees were identified with these views.¹² In addition, Le Duc Tho, who negotiated the 1973 Vietnam

⁸ Far Eastern Economic Review Yearbook, 1982, p. 258; Washington Post, March 28, 1982.

⁹ Turley, Hanoi's Domestic Dilemmas, p. 54; Dagens Nyheter (Stockholm), April 22, 1980; Chanda, Nayan, A New Type of Communism, Far Eastern Economic Review, February 1, 1980, p. 14.

¹⁰ Radio Hanoi, March 21, 1981.

¹¹ Far Eastern Economic Review Yearbook, 1979, p. 317; Turley, Hanoi's Domestic Dilemmas, p. 55.

¹² Turley, Hanoi's Domestic Dilemma, p. 60; Vietnam, China News Analysis, April 25, 1980, pp. 3-6; Chanda, Nayan, A Move Toward Moscow, Far Eastern Economic Review, February 15, 1980, pp. 8-9; Washington Post, February 17, 1980.

cease-fire with Henry Kissinger, is believed to be a powerful member of the Political Committee. He reportedly has directed SRV political policy in Kampuchea. Truong Chinh, who was named in July 1981 chairman of the State Council (the highest body of government), has reportedly been a past rival of Le Duan, but his views appear to be more orthodox and less Maoist than they were reputed to be in the past.

The changes, coupled with the growth of the armed forces, may have enhanced the influence of the military in the government and the party. This is especially true of men like Van Tien Dung, Le Duc Anh, and Le Trong Tan. Nearly 30 percent of the 133 member Central Committee have been military men, and they reportedly have acted as a bloc in backing some of the Le Duan policies.¹³ Over the longer term, the party purge could result in the further increases in the armed forces' representation in top rank party organs.

FUTURE INTERNAL POLITICAL POLICIES

Internal policies and political values under the regime in Hanoi have shown a good deal of constancy since 1954 despite severe internal and external pressures. Factors outside of the regime's control do influence policy, but Vietnam's leaders usually have reacted to such problems by emphasizing that ideology, discipline and perseverance can overcome them. Their success in the two Indochina wars undoubtedly has reinforced these attitudes.

Outsiders have only limited knowledge about the Vietnamese leadership and the relationships among the members of the Political Committee. Although Le Duan's position appears to be a strong one, there still are potential rivals on the Political Committee who could challenge him. A number of the top leaders are in their sixties or seventies; thus, should key figures need to be replaced over the next few years, new power struggles could result. Another question is whether Le Duan can maintain his power if the Vietnamese economy continues to decline. Criticism has grown within the government and party over economic mismanagement.

Nevertheless, one must conclude on the basis of existing evidence that the main elements of the 1976-80 situation probably will carry well into the 1980 s. If Le Duan remains number one in the collective leadership, there is apt to be a continuation of Vietnam's major policies: imposition of the North's socio-economic system on the South, consolidation of SRV control in Kampuchea and Laos, a pro-Soviet and anti-China foreign policy, and an approach toward the ASEAN states emphasizing struggle and ideological differences. Even if Le Duan were removed, the new lineup in the Political Committee and government enhances the likelihood that his successors would be people associated with his policies rather than the reported skeptics such as Premier Pham Van Dong.

The growing role of military men in the Communist Party constitutes a trend that probably will run well into the decade. If the reported views of such individuals hold, the military bloc can be expected to support current policies and perhaps press for intensification of measures to achieve policy objectives. The military seems likely to advocate a close association with the Soviet Union because of its strong ties with the Soviet armed forces and its reliance on sophisti-

¹³ Far Eastern Economic Review Yearbook, 1979, p. 317.

cated Soviet arms. It undoubtedly would favor a permanent SRV military presence in Laos and Kampuchea and the maintenance of powerful conventional military forces.

The role of the military and the purge and recruitment programs suggest that the Vietnamese leaders may hope to deal with internal issues through a more disciplined and ideologically-motivated Communist Party rather than by changing policy priorities. The naming of Truong Chinh as chairman of the State Council would appear in line with this kind of motive. If they succeed in this effort, no political liberalization in at least the first half of the 1980's would be expected. A restructured party could impose harsher measures in the South, including eventually a reassertion of programs like collectivization of agriculture and the New Economic Zones. This, in turn, could regenerate the outflow of refugees.

There are several possible events that could alter this scenario: an economic catastrophe like a massive famine, a termination of Soviet aid; or a successful Chinese invasion. Any one of these situations could force the SRV leadership to reconsider policies and adopt different approaches. Aside from such shocks, however, the above analysis seems the most likely prospect over the next 5 years.

INTERNAL ECONOMIC POLICIES

STRUCTURE OF THE ECONOMY BEFORE 1975

Like most developing nations with a colonial background, Vietnam's economy under French colonial rule was basically a supplier of primary commodities and raw materials and a buyer of finished products rather than developed into a multifaceted economy. Vietnam was fundamentally an agrarian economy based on rice, and the French facilitated steady increases in production of rice. They also developed mining and other secondary industries, which were concentrated in northern and central Vietnam. Consequently, Vietnam became a nation with two distinct geographic and economic zones: the South primarily engaged in agriculture and the North in mining and industries.

After the end of the First Indochina War in 1954, the northern and southern economies became more distinguishable. South Vietnam adopted a free enterprise system, which during the Second Indochina War almost became totally dependent on external financing, mainly from the United States, and on purchase by the U.S. military of Vietnamese goods and services. Rice production suffered during the war, and service industries were affected adversely by the U.S. military withdrawal in 1973.

North Vietnam adopted a socialist system with similarities to the Soviet system. Collectivization of agriculture and state ownership of industry have been fundamental components of the Northern system since the early 1960's. Collectivization proceeded in several stages. In the final stages, high level collectives were established in which all means of production were owned in common and the net revenues of the collectives were distributed according to the farmer's labor contribution. The state set production targets for collective farms and fixed the terms of trade for the buying and selling of agricultural products.

THE ECONOMY SINCE 1975

REUNIFICATION AND NORTH-SOUTH ECONOMIC INTEGRATION

The political reunification of South and North Vietnam in April 1975 also means the integration of two very different economies. Over the period of some 20 years and through a bitter war, the country had been deeply polarized not only on political and ideological fronts but also on the economic front. The first task of the government therefore was to unify Vietnam and convert a free enterprise economy into a socialist economy in the pattern of North Vietnam within a "decent interval."

The conversion to a socialist economy was carried out in several steps. The first step was to eliminate private banking and other financial intermediaries, always considered to be the central nerve of the free enterprise system. This was done just 4 months after the takeover of South Vietnam. It appeared in the form of a Declaration

by the Council of Ministers on August 25, 1975 which ordered all private banks and credit firms to settle accounts with their customers and then cease all operations. All deposits were to be placed with the National Bank of Vietnam.

The second step was to prepare for the socialist transformation of commerce and industry. A manifesto entitled "On the Restoration and Development of Industry and Trade and the Elimination of the Comprador Bourgeois Monopolists" was issued on September 10, 1975. It specified the government's intention regarding the economic policy in the immediate future. It prescribed a new economic system which would be comprised fundamentally of five elements: state enterprises, mixed enterprises, private enterprises, cooperatives, and private individual businesses. It did not explain how these five elements would be distributed in the economy or did it say how long the private sector would remain private. The allowance for private and mixed enterprises was clearly made for social expediency and a smooth transition period rather than as an indication of a long-term policy. The manifesto also carried an attack on the so-called "Comprador Bourgeois"—those entrepreneurs, middleman, traders, merchants, etc., whose businesses had been exclusively and directly connected with war transactions, particularly those who had been contracts and/or sole agents of the U.S. military or of the previous South Vietnam Government. Property of the comprador bourgeoisie would be confiscated by the state. The primary purpose of the attack was to free the market from speculators in a period of extreme chaos and uncertainty which could endanger the new regime. The impact of this measure on the market structure of the South Vietnamese economy was immediate. All large scale production was placed under state control, and the private sector became an informal sector with retail trading being the main economic activity.

Together with the above measure to convert a market economy into a largely nonmarket economy, a currency reform was also introduced on September 21, 1975, in the form of a communique of the Provisional Revolutionary Government of the Republic of South Vietnam. The communique ordered all persons, businesses, and organizations to fill out financial declarations and applications to exchange old Dong notes for new notes issued by the National Bank of Vietnam. The old Dong notes were exchanged at a rate of 500 to one. A limit was imposed on cash exchanges for each category of the population and organizations. The excess to these limits was to be deposited in savings accounts. Any major withdrawals had to be approved by the Bank. The measure thus immediately eliminated all private lending and borrowing activities and placed all significant commercial transactions under government control. At the same time the government had created a massive investment fund from forced savings.

As mentioned previously, the industrial setting of South Vietnam had been characterized by an over expansion of the services sector during the war. After the U.S. military withdrawal and the cease-fire agreement of January 1973, the services sector and some industries related to this services sector suffered a rapid decline. In the 4-year period since 1971, the real rate of growth of GNP (Gross National Product) was only about 1 percent per annum, whereas population during the same period grew at 3 percent per annum, which meant a

drop in real per capita income. Official national accounts showed that in 1971 total consumption accounted for 9 percent of GNP, and most estimates for the subsequent years to 1975 indicated that total consumption had reached 100 percent of GNP, which left nothing for investment. With imports representing about one-fourth of GNP, the economy continued to rely heavily on external resources up until reunification. Before the decline, the services sector accounted for 50 percent of NDP (Net Domestic Product), and industrial production was about 8 percent of NDP. From 1972, with the decline of the services sector and thanks to the cease-fire, agriculture began to improve but industrial production continued to decline. Industrial production in 1974 had fallen to about two-thirds of the 1971 level.¹⁴

The largest industrial employer was textiles, followed by food processing, tobacco, beverages, and pharmaceuticals. Most of these were energy intensive and were dependent on imported raw materials. The cutoff of imports following the U.S. evacuation meant the shutdown of most of the industrial enterprises when inventories ran out. Furthermore, a greater part of machinery in industrial plants were made in the United States, and the U.S. trade embargo implied that spare parts could no longer be imported. To reduce industrial production, even when it accounted for such a small part in the national product, would have meant a further erosion of per capita income as well as serious urban unemployment.

Although the decline of the services sector had restored some balance for the economy and made it favorable for agriculture production, the improvement in agriculture was quite low. Before 1975, improvements were made possible by extensive use of high yield strains of rice and widespread mechanization, the bulk of these—including fertilizers, fuel and tractors—were imported and financed through U.S. aid. After 1975, essential inputs still had to be imported, and they were financed by foreign aid from socialist countries. Available supplies, however, were insufficient to support production at full capacity or even at the pre-1975 levels. Besides, there was a shortage of farm workers due to the migration process to urban centers during the mid-1960's.

The most serious differences between North and South were in consumption patterns and living standards. North Vietnam had given little priority to the production of consumer goods and had relied mainly on imports to meet basic requirements. Consumption patterns in the North were reduced to basic necessities and subsistence. In the South, however, the presence of a large foreign army and personnel had brought in a vast amount of consumer goods, including luxuries. These provided the material incentives for economic activities. For many years, a great number of southerners enjoyed this material comfort. The sudden unification of the two regions could mean a spill-over effect of consumerism and affluence from the South, reintroducing the material and profit motive into the North, endangering the very foundation of marxist socialism. These were the types of difficulties and socio-economic problems which the Hanoi government considered in its design and conduct of economic policy.

¹⁴ For a survey of South Vietnam's economy at the end of the war, see Goodman, Allan E. *South Vietnam: War Without End*, Asian Survey, January 1975, pp. 76-79; Far Eastern Economic Review Yearbook, 1975, pp. 290-291.

THE GOVERNMENT ECONOMIC POLICY: THE SECOND 5-YEAR PLAN, 1976-80

Like most other socialist countries, the Vietnamese Government's economic policy was designed by a central planning authority. Central planning had been the basic management instrument in North Vietnam since 1955, when the State Planning Committee was established. The scope of the committee was broadened gradually afterward, and in 1961 the government was able to launch the first 5-year development plan. After the completion of this plan, however, the war was intensified and escalated. All long-term economic planning efforts had to be abandoned. Long-term planning was resumed only after the war had ended, and a second 5-year plan was launched in 1976.

The basic economic philosophy of the Vietnamese Communists had always been that, from whatever initial state, the country could move directly to socialism without any capitalist transition period. Before the establishment of the Democratic Republic of Vietnam (North Vietnam) in 1954, there was no sizable Vietnamese-owned industrial or business enterprise that was large enough to be labelled "capitalist." This was also true of South Vietnam. Although there were industrial enterprises of various sizes, the economy as a whole was still dominated by small-scale business activities. The conversion to socialism therefore was viewed as the conversion from a system where there were private producers and private ownership of the means of production but all of which were quite small, to a system where there would be large-scale production, and all the means of production would be owned by the state.

The second 5-year plan was perhaps the most significant document regarding the long-term and medium-term economic policy of the new socialist Vietnam. There were two basic objectives: the first was "to build a material and technological base" for the new socialist republic, and the second was "to raise the standard of living of the population." To achieve these, the plan called for three measures: reorganization of social production, redistribution of labor, and implementation of a correct investment policy. More specially, it called for further improvement in agriculture, forestry, fishery, light industry, and food industry, and for development of heavy industry. Transportation and communication were to be expanded, production of exportable goods was to increase, priorities were to be given to health and education, and the integration of North and South Vietnam was to be accelerated. Finally, and perhaps most interestingly, the plan also called for a re-examination of the problem of economic management.

Vietnam as a whole was still a food deficit nation. To raise the standard of living in the population meant providing the most important basic foods. Thus, in the first phase, efforts in industry were devoted to the support of agriculture. In the North, there would be no reorganization of social production in agriculture. The collectivization process was considered irreversible; and after some 20 years, the North had reached some "maturity" in agriculture collectivization. During the early 1960's, cooperatives were too numerous, and each cooperative was too small to provide enough manpower, funds, and land for large-scale irrigation works. The consolidation of small cooperatives into large "high level" collectives throughout the 1960's did much to improve the irrigation infrastructure. Yet during 1960-71, investment funds contributed by the state to each collective was a mere D 135,000.

The ability to save for investment in each collective was extremely low. In 1975 it was estimated that an investment fund from its own saving could only be sufficient to expand the cultivated area in each collective by one hectare. The amount saved was insufficient to pay for small basic machinery.¹⁵ The plan therefore called for a significant increase in state investment expenditures. Total investment expenditures in the 5-year period was to be D 30 billion, of which D 9 billion would be for agriculture, D 10.5 billion for industry, and D 10.5 billion for transportation and services. Since the total investment expenditures in 1976 was only D 3.6 billion, the plan's target implied a doubling of this amount annually before the completion of the plan.

Part of the enormous increase in investment in agriculture was for the restructuring of that sector in the South. Socialist transformation of the South was to follow the same pattern as the North during the 1950's. First, farmers were organized into seasonal or permanent work exchange teams. Low-level cooperatives were also to be established whenever possible. Land, machinery, and equipment remained private. Later, pilot "high level" collectives were set up. By 1978, some 132 collectives had been established, mostly in the sparsely populated and newly resettled coastal areas. The plan's target called for the establishment of one pilot collective in each of the 250 districts of Southern Vietnam by 1980. There was one new important development in the South that was quite different from the changes in the North during the 1950's: the government's decision to create the "New Economic Zones." These zones were primarily resettlement schemes to provide work for part of the 7-8 million persons displaced during the war, but it also aimed at as a means to expand the cultivated area and agricultural production.¹⁶

After agriculture and food production, second in priority was clearly industry and commerce. Following the pattern of the first 5-year plan for North Vietnam, the first measure in the second plan reorganized all large- and medium-sized enterprises engaged in industrial, fishing, forestry, transport, construction, public health, and other service activities into either state enterprise or state-private partnerships managed by the state. Owners of private enterprises considered to be nationalist bourgeoisie were compensated for the expropriating of their properties with interest bearing government bonds and were permitted to participate in the management of the enterprise. The government took over the distribution of strategic commodities such as food-grain, fuel and building material. Private trading was abolished in March 1978. Goods owned by stores were required to be purchased by the government. Some store owners were employed in the state run trading enterprises. Only petty traders were allowed to continue trading privately.¹⁷

To complete the socialist transformation, the integration between North and South Vietnam's separate currencies was completed. Unification of currency was considered to be appropriate only after major economic differences between the two regions had been eliminated. Following the abolition of private retail trade in March 1978, the

¹⁵ Nguyen Gia Ngo. *Ve-Phuong Huong va Co Cau cua Nen San Xuat Nong Nghiep cua Mien Bac nuoc ta.* (On the Direction and Structure of Agricultural Production in North). *Nghien Cuu Kinh Te*, 83, February 1975, pp. 1-19.

¹⁶ Smith, Ralph. *Vietnam: Economic Survey.* In *The Far East and Australasia*, 1980-81. London, Europa Publications, Ltd., p. 1151.

¹⁷ *Far Eastern Economic Review Yearbook*, 1979, pp. 317-319.

government felt that it had sufficient control over the production and trade and therefore the movement of prices. Thus, in May 1978, a new currency was issued and exchanged for the old currencies.

The government focused on the problem of transport and communication between the North and the South. Transport infrastructure was among the prime targets for bombing in the North and for guerrilla attack in the South. During the war, investment on transport was mainly for wartime needs and not for economic considerations. In the South, there was little investment in the commercial port of Saigon while major military port installations were created at Da Nang and Cam Ranh Bay. These installations had limited value to the post-war economy. In the North, priority was given to essential repairs to keep supply lines open. Hai Phong, the major international port which handled most of the country's foreign trade, was badly damaged during the war. The plan called for a rearrangement of the transportation networks and the development of North-South traffic. The high priority given to transport and communication can be seen from the extremely high level of investment expenditures proposed by the plan for the 1976-80 period. The special attention paid to the improvement of sea ports, particularly Hai Phong, was due to an anticipation of steady increases in foreign trade activities.

In order to encourage foreign trade relations, in 1977 the government settled all outstanding issues relating to debts of the former South Vietnam Government with Japan and France. Agreements on economic assistance programs with these countries were also reached. Economic assistance was received from other EEC countries and from Sweden. In April 1977, the government promulgated a foreign investment code to encourage foreign investment in the form of joint ventures or production sharing partnerships with Vietnam state enterprises. Efforts to broaden economic relations with the Soviet bloc resulted in Vietnam becoming a member of the Council of Mutual Economic Assistance (CMEA) in June 1978.

There were some sharp variations in relations with China and the Soviet Union. Relations with China deteriorated sharply after 1976 while relations with the Soviet Union took on a new turn. China had provided economic assistance to Vietnam since 1950 mostly in the form of military aid and technical assistance. During the last few years of the first Indochina war, the largest military aid to Vietnam came from China. After 1954, economic aid appeared in the form of industrial projects, mostly in rail and road building, bridge and highway repair, and industrial plant construction. The volume of aid varied from year to year, depending in part on the amount of political pressure that China wanted to apply on Vietnam. Thus, in 1969-70 when Vietnam began to engage in peace talks with the United States, China cut its economic aid to Vietnam by 20 percent in 1969 and 50 percent in 1970 to show its objection to these negotiations. In 1971-72, the amount of economic aid was increased sharply in order to get Vietnam's support for the normalization negotiations with the United States. After 1975, the amount of economic aid declined again as overall relations deteriorated, and in early 1978 all Chinese assistance was suspended and technicians withdrawn.

Economic relations with the Soviet Union had also begun in the early 1950's. The first formal trade treaty between the two countries was signed in July 1958, and by 1979 the volume of trade with the Soviet Union had increased by 174-fold compared to that of 1955. Over 60 percent of Vietnam's exports go to the Soviet Union, and 66 percent of imports come from the U.S.S.R.¹⁸ Direct economic aid also appeared in the form of technical assistance and loans. Over the last 25 years, some 10,000 Soviet technicians have been sent to Vietnam to assist in numerous industrial and agricultural projects. In the first stage, technical aid was aimed at small projects. Soviet assistance helped to set up the first state farms; to reopen a number of mines at Cao Lai, Tinh Tue and Lang Cam; and to build several small electric generation plants at Vinh, Viet Tri, Thanh Hoa and Phu Tho. Soviet aid in this early stage also resulted in the establishment of the first machine-producing factory in Hanoi. During the second stage, when Vietnam was embarking on the first 5-year plan, Soviet assistance was aimed at larger industrial projects such as the building of the hydroelectric plant at Thac Ba and a factory to produce diesel engines at Go Dam. In the third stage, when Vietnam launched the second 5-year plan, the Soviets committed \$2.7 billion to support the plan.¹⁹ Soviet aid was concentrated on large industrial projects, including the building of the hydroelectric scheme at Hoa Bin, a cement factory in Bin Son, and the drilling of a large coal mine at Cao Son. The Friendship and Cooperation Treaty with the Soviet Union signed in November 1978 also contained a 10-year economic cooperation agreement. In July 1980, a new treaty between Vietnam and the Soviet Union was signed to promote the cooperation between the two countries on the exploration of off-shore oil. Soviet food shipments became an especially important part of the aid program, as Vietnam's agricultural output dropped. The U.S.S.R. reportedly supplied Vietnam with 1.2 million tons and 860,000 tons of food in 1979 and 1980 respectively.²⁰ Soviet economic aid in 1981 was estimated at \$1 to \$2 billion.

While external economic relations were expanded and promoted, several events during the first few years of the second plan led the government to place great emphasis on internal security and on the "tight connection between defense and economic development." When the second plan was launched in 1976, the country had been unified for just over 1 year, and the apparent expectation was for a long period of peace to rebuild and heal the deep scars of war.

The border conflict with Kampuchea in 1976-1977, Vietnam's invasion of January 1979, and the Chinese incursion into Vietnam in early 1979 brought an important modification in the government's economic policy. The Sixth Conference of the Central Committee of the Communist Party was convened in 1979 to consider the economic problems of defense, consumer goods industry, and decentralization of local industries. The development of consumer goods industry was now considered vital in the process of raising the population's living standards. The development and decentralization of local industries was considered vital to the national defense strategy.

¹⁸ Pike, Douglas. *The U.S.S.R. and Vietnam: Into the Swamp*. Asian Survey, December 1979, p. 1164; *Far Eastern Economic Review* 1982 Yearbook, p. 263.

¹⁹ *The Far East and Australasia*, 1980-81. London, Europa Publications Ltd., pp. 1156-1157.

²⁰ *Los Angeles Times*, February 17, 1981.

THE PLAN AND THE PERFORMANCE

The end of 1980 marked the completion of the second 5-year development plan. The first official assessment was provided by the chairman of the State Planning Committee, Vice Premier Nguyen Lam, in a report to the National Assembly on December 20, 1980. According to him, "considerable achievements have been obtained over the past 5 years: industrial enterprises and dwelling houses in urban centers destroyed during the war have basically been restored; war damage in agriculture, industry, communication and transport and other services have been overcome; large scale socialist transformation had been effected in the South; . . . hundreds of important establishments of the national economy had been built; production in all branches and localities had gone up. . . ." ²¹ More specifically, agricultural output was reported to have increased by 18.7 percent, and industrial output increased by 17.3 percent over 1975. Over half a million hectares of wasted land were reclaimed and 650,000 hectares of virgin land cleared. As a result reclamation and crop multiplication, total acreage was expanded by 1.8 million hectares. The irrigated area was reportedly increased by 600,000 hectares, and the area serviced by drainage systems increased by 180,000 hectares. New tractor stations were set up, which raised the rate of mechanized ploughing to 37 percent of the total acreage. Some 570,000 hectares of forest had also been planted. The number of new jobs created in agriculture and forestry during the 5-year period was about 4 million. Production capacity in energy, coal, building materials, and light industry had also risen.

The Vice Premier, however, did not claim that the implementation of the second plan had been a total success. Indeed, despite the achievements mentioned above, the general performance of the economy throughout the planning period was very disappointing. Although the level of Gross National Product and National Income in 1980 were higher than in 1975, per capita income had actually declined. In 1976, economic activities recovered from the depressed level of 1975, and national income increased by 9 percent and per capita income by 6 percent. This rate of growth was the highest in the 5-year period but was still significantly below the plan target of 13-14 percent per year. The following year, the rate of growth of national income fell to only 2 percent, or some 0.6 percent less than the population growth rate, which implied a fall in per capita income. A sharp fall in agriculture production in 1978 resulted in a substantial decrease in national income in 1979. Mild recovery was underway in 1980, and the level of national income climbed back to a little above the 1975 level. Population meanwhile had increased by about 5 million.

In this aspect alone, therefore, the economy was still a long way from achieving the plan's prime objective of raising the standard of living of the population. Per capita income remained at the level of about D 400. At the official exchange rate between the Vietnamese Dong and the SDR of D 2.66358 per SDR, this was equivalent to about 180 U.S. dollars in 1978, which made the per capita income in Vietnam among the lowest in the world. ²²

The decline in GNP, however, does not provide a total picture of the ability of the post-war economy to meet the population's basic

²¹ Radio Hanoi, December 20, 1980.

²² Central Intelligence Agency, National Foreign Assessment Center, *The World Factbook*—1981, p. 214. The C.I.A. estimates Vietnam's per capita GNP at less than \$150.

needs. In particular, food production in the last few years of the planning period had increased little from the 1976 level. In 1979, paddy and other subsidiary crops production was about 13 million tons against the plan target of 16.5 million tons, and in 1980 it was estimated at 12 million tons against the plan target of 21 million tons. The food grain production of 1979 and 1980 was equivalent to about 8.45 million tons of rice and 7.8 million tons of rice respectively. With the current population of about 54 million people, the per capita gross domestic production of rice was less than 145 kilograms, and the net amount of rice available from domestic production was only 130 kilograms per capita in 1980. This was substantially below what was regarded by international agencies as the standard requirement of 250 kilograms of rice per year for an average manual worker. Consequently, imports of food grain in the 3-year period beginning in 1978 averaged about 3 million tons a year. Even the production of the most basic of all commodities, therefore, failed to meet the target of the state plan. By 1981, widespread malnutrition was reported in parts of Vietnam.²³ Production of foodgrains did increase to 15 million tons, but this did not portend a sustained recovery.

Regarding the other prime objective of the plan, namely, the building of a material and technological infrastructure for the new socialist republic, the results are mixed at best. The process of socialist industrialization had met many obstacles. The collectivization of agriculture in the southern part of South Vietnam has been much slower than anticipated. The main form of collectivization was still either labor exchange or production teams. By the end of 1979, the total number of production teams in all provinces and cities of Nam Bo (southern South Vietnam) was 13,200 with 30 percent of the peasant population and 23 percent of the total cultivated area. Since May 1979, some 5,000 of these production teams have been moving toward cooperative form, but these amounted to only 12 percent of the peasant population and 10 percent of the total cultivated area.

A most important sociological and political factor which contributed to the setback of the second plan is the large migration from Vietnam since 1975. The initial flow of several hundred thousand people in 1975-76 was comprised mainly of those who had strong ties with the previous regime, both politically and economically. This flow had robbed the country of technicians and skilled workers to man the industrial and services sector of the South. In 1978 and 1979, there was also a new element in the flow of migrant refugees: the Chinese in Vietnam. There were about 1,200,000 Chinese residents in Vietnam, with the majority living in the South, mainly in Ho Chi Minh City (Saigon). In northern Vietnam, the Chinese residents were concentrated in Quang Ninh province (160,000 persons), which has a 120-kilometer common border with China. There was also a Chinese community in Hanoi (13,000 persons) and in Hai Phong (33,000 persons).

Immigrants from China had come to Vietnam in the very early period of history, and over the years the process of assimilation took place so that they became integrated with the local population. The current generation of Chinese immigrants perhaps can be traced back to the 1920's and 1930's when the French began a policy of hiring

²³ For reports of the food shortages, see: Los Angeles Times, February 17, 1981; Bangkok Post, February 13, 1981; Chanda, Navan, Vietnam's Economic Post-Mortem, Far Eastern Economic Review, January 9-15, 1981, pp. 40-42; Far Eastern Economic Review 1982 Yearbook, pp. 262-263.

Chinese workers for their mining and other industrial operations. Between 1925 and 1933 some 600,000 people from China came and settled in Vietnam.²⁴ Under the French rule, the Chinese residents were allowed to organize themselves into congregations of people from the same Chinese province and to have a certain degree of autonomy, separated from the local Vietnamese community. Chinese merchants were hired to collect rice in the Mekong delta for export and distribute and retail industrial commodities imported to Vietnam. Gradually, they became a dominant force controlling the majority of the distribution and retail trade in South Vietnam. In 1956, under the Ngo Dinh Diem administration and subsequently under the Nguyen Van Thieu administration, nearly all Chinese residents were required by the government to adopt Vietnamese citizenship. This measure was met with strong protest from the overseas Chinese, but since it did not affect the economic activities of the Chinese residents in Vietnam, the protest died out gradually.²⁵

By 1975 the Chinese economic power in South Vietnam was concentrated in three sectors: processing industry, distribution and financial intermediary. About 80 percent of the processing industry, 100 percent of the wholesale trade, 50 percent of the retail trade, and 90 percent of the import and export trade were owned by the Chinese. Some 42 percent of credit granted by Vietnamese banks was for Chinese enterprises, and 42 out of 60 companies, with a turnover rate of 1 billion Dong or more, were Chinese-owned.²⁶ This concentration of economic power into a small group of Chinese residents and the nature of their economic activities made them belong, in the eyes of the regime, to the so-called "comprador bourgeoisie" class, which was the subject of the attack in the September 10, 1975, manifesto mentioned earlier. The abolition of private trading in March 1978 was a further blow and marked the end of all economic activities of any importance that were conducted by the Chinese merchants. The total number of traders in Ho Chi Minh City affected by this measure were about 30,000 out of a total number of 700,000 Chinese residents.

The Chinese reaction to this new measure was perhaps much stronger than the Vietnamese Government had anticipated. Since the majority of Chinese residents in South Vietnam had adopted Vietnamese citizenship since 1956, the Vietnamese Government outwardly regarded them as part of the Vietnamese population.²⁷ However, the Chinese Government took an opposite view and regarded the Chinese residents in Vietnam, even those who had adopted Vietnamese citizenship for 20 years, as Chinese citizens.²⁸

The abolition of private trade in South Vietnam, therefore, was not viewed as part of the socialist transformation of commerce but as a

²⁴ Ky Son, *The Hoa in Vietnam: Some data in The Hoa in Vietnam*, Dossier, Hanoi, Foreign Languages Publishing House, 1958, pp. 19-28.

²⁵ Following the measure of President Ngo Dinh Diem compelling Chinese residents to become naturalized, the Commission of Overseas Chinese Affairs of the People's Republic of China issued a strong statement on May 20, 1957, to protest. The statement contained a threat that "The South Vietnamese Administration should bear full responsibility for all consequences arising from this unreasonable act." When President Diem came to the United States for a state visit he was met with protest demonstration by Chinese residents in San Francisco.

²⁶ Duy Phong, *The Hoa in Vietnam*, p. 81.

²⁷ Statement of the Spokesman for the Foreign Ministry of the Socialist Republic of Vietnam May 27, 1978.

²⁸ Note of the Government of the People's Republic of China to the Government of the Socialist Republic of Vietnam, May 30, 1978.

further attack on the Chinese community. The harsh exchanges between the two governments on this issue naturally caused much anxiety among the Chinese residents. Rumors began to spread that there would be war between China and Vietnam, and in April 1978 some Chinese residents began to move out of Vietnam. The fear of further government action against them and of a possible war between the two countries quickly led to a mass exodus. Within a month, some 200,000 Chinese residents crossed the Vietnamese border into China. On May 12, 1978, the Chinese Government decided to cut off the financial aid and equipment for 21 complete factory projects. On May 30, 1978, another 51 aid projects were cancelled, and all Chinese technicians were withdrawn. This brought the Chinese aid program to an end.

The mass migration and the cut-off of Chinese aid obviously caused many difficulties for the Vietnamese in 1978. But the Chinese invasion in early 1979 brought even greater damage. Knowing the value that the Vietnamese placed on the economic infrastructure, the Chinese destroyed the transport system as well as all other economic foundations and establishments in Vietnamese localities near the common border. The destruction of the apatite mine at Can Duong or the strategic bridge at Lang Giang, for instance, will require years of work to restore.²⁹

Both the conflicts with China and the occupation of Kampuchea drained a considerable amount of Vietnamese resources. By 1980, military spending reportedly took nearly 50 percent of the national budget.³⁰ With the decline in national income in 1978 and 1979 and the need to increase the defense budget in order to expand the armed forces, the burden of cutbacks of expenditures had to be born by investment. In this respect, the plan's provision of D 30 billion for investment over the 5-year period would have been too optimistic but also a long way off the mark even in normal circumstances. The adverse publicity of the Kampuchea involvement caused further difficulty in obtaining external loans from the non-socialist sources. Although exports to CMEA countries have expanded steadily, exports to convertible currency areas have stagnated over the past few years at around only \$100 million a year, which is about the same as the estimated expenditures on Kampuchea in 1980. The compound effects of all these resulted in extremely low investment funds for the 1978-80 period. Indeed, for the whole 5-year planning period, the total amount of investment was likely to be less than D 20 billion, or two-thirds of the plan's target. Moreover, at the end of 1981, Vietnam failed to make payment on more than \$300 million in loans from Japan.

As if all the above misfortunes were not enough, the country also had to meet almost annually several natural calamities. The winter of 1976-77 brought floods, drought and unusual cold. The summer of 1977 also saw severe drought. In July 1977, typhoon Sarah hit the northern delta region, destroyed some 290,000 tons of rice, and in September typhoon Dinah hit two southern provinces, ruining another 100,000 tons of rice. In the following year, hoping to make up for these losses, the Vietnamese planted 5.8 million hectares for a target of 15.2

²⁹ Tran Man, *Tan Chi Cong San*, 6, 1979: 30-34.

³⁰ Los Angeles Times, February 17, 1981; Washington Post, September 26, 1979, Chanda, *Vietnam's Economic Post-Mortem*, p. 40.

tons of paddy. In October 1978 typhoon Lola caused the worst flooding in 35 years and ruined 2.8 million tons of paddy. Insects also destroyed another 1.1 million tons. Similar natural disasters recurred in 1979 and 1980. The drought and flood caused by a typhoon in 1980 resulted in a net production of 12 million tons of paddy instead of the target 15 million tons.

PROSPECTS IN THE 1980's

The economic picture, as revealed by the actual performance, the Plan and the efforts over the last 5 years, produces a very grim prospect for the future. Nevertheless, it is perhaps inappropriate to make a judgment purely on material production alone. The Vietnamese model of economic development is labeled socialist or communistic; but even in this category, it is an extremely unconventional model, challenging the normative beliefs of even the most sympathetic viewer.

The long run direction for the national economy is now clearly indicated by, and formally formulated in, the new constitution which was unanimously adopted by the National Assembly at its meeting on December 18, 1980, in Hanoi. Chapter two of the new constitution was devoted totally to economic matters. As expected, the constitution reaffirmed the aim of an industrial-agricultural socialist economy. The transition to socialism is through the process of socialist industrialization. During this transition period, there would still be private economic activities, but the "law defines the limits for private economic activity in agriculture, small industry, handicrafts, applied arts and services." (article 24) Also "the family subsidiary small holdings of the cooperative members are recognized and protected by the state" (article 23), and "the law protects the citizens' right of inheritance" (article 27). These clauses, even when strictly applied, still give the regime a great deal of flexibility in the conduct and design of economic policy.

Although the overall direction has been set in the medium term, particularly in the 1980's, there is sufficient evidence to signal important changes as regards economic policy in the next 5-year plan. The most significant, perhaps, would be the allowance for greater private economic activities, albeit temporarily, greater material incentives and greater emphasis on the production of consumer goods. The threat from China paradoxically would reinforce the rationale of these changes in that it forces a decentralization process to ensure self-survival ability in each region in case of war. This would help to keep the dependency on Soviet aid in check, although such dependency will likely persist.

The next development plan—the third 5-year state plan—which is still in the preparation stage, will likely contain provisions for economic coordination with other countries during every stage of the plan. Accords for such coordination had been signed with Soviet allies such as Mongolia (June 18, 1980), Czechoslovakia (June 19, 1980), and Cuba (June 27, 1980).³¹ Vietnam and the U.S.S.R. signed new agreements in 1981 providing for major increases in the supply of Soviet machinery and equipment. If the current trends and discussions by government officials in public media can serve as a guide, in all likelihood the next plan will also place less emphasis on heavy industry and

³¹ *Nhan Dan*, June 30, 1980.

more on economic management. Agriculture will continue to be regarded as vital but so will the production of consumer goods, given the misfortunes in food grain production and the extreme paucity of consumables experienced in the last few years. The collectivization of agriculture and industry in the South will be completed, but allowance for private holdings will probably be more than 5 percent in agriculture. Moreover, private trading in larger scope will perhaps be permitted.

Within the framework of the above projections it is easy to deduce the policy options available under various future conditions. If one assumes that the conflict with China cannot be resolved quickly, but that the Vietnamese realize it is in their best interest to avoid another war with China, then a reduction of the Vietnamese involvement in Kampuchea could be expected. Whether or not the consolidation of the Vietnamese hold in Kampuchea is successful, the draining of manpower for the Army is not significant in view of the volume of unemployment and labor supply at home. High military expenditures, however, will continue as a limiting factor, but Soviet financing here eases the burden.

Changes in political leadership, which most certainly will take place in the 1980's, given the present age of the key leaders, should similarly have little effect on the economic system, except in the short run. Younger leaders will provide some freshness in approach to economic problems, and there will perhaps be more flexibility in the implementation of policy. However, one should not expect a total reverse of the socialist industrialization process that has now been recognized by the nation's constitution. For the same reason, changes in Soviet aid will not have any significant bearing on the institutional framework of the Vietnamese economy since structurally it is already a self-contained socialist system and will be even more so in the future. On the other hand, persistent reports in 1981 of Soviet plans to reduce food aid to Vietnam undoubtedly augurs badly for the food situation, if the reports are correct. Moreover, Vietnam is now deeply in debt to Soviet block countries, and this ties much of Vietnam's exportable goods to the U.S.S.R. With favorable external factors and appropriate internal responses, the deterioration process that has been plaguing the Vietnamese economy can be reversed. In the absence of these, Vietnam will face more economic difficulties.

VIETNAMESE POLICIES TOWARD LAOS AND KAMPUCHEA

Vietnam historically has attempted at various times to dominate its immediate neighbors, Laos and Kampuchea (Cambodia); this has resulted from conflicting concepts of racial and cultural superiority and the desire for territorial gain. With the emergence of the Vietnamese Communist movement, ideology emerged as a motivating factor. The Indochina wars led the Vietnamese Communist leadership to emphasize the importance of a Laos and Kampuchea friendly to their cause and to Vietnam's security.

From its inception in 1930, the Vietnamese Communist movement has viewed Vietnam's links with Laos and Kampuchea in terms of a superior-subordinate relationship. The Vietnamese Communist Party transformed itself into the Indochinese Communist Party. Vietnamese control of this unified organization continued until 1951. Afterwards, the Vietnamese Lao Dong Party emphasized a fraternal role in relation to the Lao and Khmer parties while maintaining official relations with the neutralist Lao and Khmer regimes.

The concept of a federation of the three Indochina states was another indicator of the Vietnamese view. Ho Chi Minh and other Vietnamese Communists advocated this throughout the 1930's and 1940's. The Vietnamese Government claims that the idea was dropped in 1954, but the 1970 summit conference of the three Communist parties called for a "confederation approach" in the future relationship of Vietnam, Laos, and Cambodia. The Vietnamese Government has not discarded the "confederation" proposal.

Whatever the legal form, the Vietnamese Government appears to view relationships with Laos and Kampuchea as founded on the principle that it has the primary responsibility for defining the relationships. Laos and Kampuchea, in turn, are expected to follow Hanoi's lead and conform. This "special relationship" (the phrase used by Vietnamese officials) appears to give Vietnam control of the defense and foreign policies of Laos and Kampuchea and requires these two states to move toward a Marxist-Leninist political and social system parallel to that of Vietnam.

Within this framework, differences do exist between Laos and Kampuchea with regard to the degree of Vietnamese domination. These differences reflect Hanoi's perception of the strength of the indigenous regimes, the level of domestic opposition, and the status of external threats. Nevertheless, there are common elements of direct Vietnamese military and political control in both states; and the trend in both has been toward a tightening of these controls.

POLICIES TOWARD LAOS (1975-1981)

The assumption of power in 1975 by the Lao Communist Party (Lao Peoples Revolutionary Party—LPRD) opened the way for the enlargement of Vietnamese political and geographic control in Laos. The LPRD, founded in 1955 as the People's Party of Laos, was an offshoot of the Vietnamese-dominated Indochina Communist Party. It maintained close ties with Vietnam's Lao Dong Party throughout the war in Indochina, and a particularly pro-Vietnamese faction under party Secretary-General Kaysone Phomvihane emerged in May 1975 as the leading force in the party and the new government. Kaysone became Prime Minister.

The new government maintained from its inception that a "special relationship" existed between Laos and Vietnam. The government's initial foreign and domestic policies differed little from those of Vietnam. Still, the physical Vietnamese presence did not appear to grow appreciably during the regime's first year and a half. The government also maintained cordial relations with China, including permission for China to maintain a distinct sphere of influence in the far northern and western provinces.

Since 1977, the Lao-Vietnamese relationship and the level of SRV domination have increased in four areas: (1) the Vietnamese military role; (2) treaty relationships; (3) party and government; and (4) foreign policy. All of these areas appear connected to the basic ties between the Lao and Vietnamese parties, but they also have resulted from three factors which Vietnam has viewed as a potential threat to its position or perhaps as a rationale for expanded control: (1) the emergence of internal anti-Communist resistance in Laos; (2) the loss of thousands of skilled Laotians in the exodus of refugees into Thailand; and (3) Vietnam's conflicts with China and Kampuchea. Consequently, Vietnam appears to have demanded greater loyalty from the Lao Government and has extended its physical and geographical presence.

The Vietnamese military role expanded after 1976 in response to armed resistance by Hmong tribesmen and the beginnings of anti-Communists guerrilla activities in southern Laos. Hanoi reportedly sent 10,000 additional troops into Laos at the beginning of 1977, including crack combat units. By mid-year, the Vietnamese troop level apparently had grown from around 30,000 to between 40,000 and 50,000.³² A "senior Lao Communist defector" told the *Far Eastern Economic Review* in August 1979 that the number of Vietnamese troops had grown from 30,000 in 1977 to 50,000 in 1979.³³ Current estimates of Vietnamese troop strength range from 40,000 to 70,000.

The Vietnamese have undertaken the principal combat role against the anti-government forces. Vietnam reportedly has used its influence to limit the size of the 20,000-30,000 man Lao army and minimize the level of arms in the Lao force.³⁴ Moreover, as Vietnamese relations with China deteriorated in the wake of Vietnam's invasion of Kam-

³² Los Angeles Times, February 10, 1977; Washington Post, July 19 and 21, 1977.

³³ McBeth, John. Laos: the Government Under Guard. *Far Eastern Economic Review*, August 24, 1979, pp. 10-11.

³⁴ Ibid. See also: Van der Kroef, Justus M. Laos: Paradoxes and Dilemmas of Survival. *Asian Thought and Society*, September 1980, p. 171.

puchea, Hanoi has reportedly moved forces into northern Laos to positions near the Chinese border.³⁵

Simultaneous with the troop buildup, Vietnam and Laos concluded a treaty of friendship in July 1977 which spelled out Hanoi's assumption of the responsibility for Laos' defense and internal security. The treaty's language called for cooperation in defending the independence and territorial integrity of each state as well as against "all schemes and acts of sabotage by imperialism and foreign reactionary forces."

Vietnamese influence in the Lao Communist Party and government has increased through purges in the party, changes in leadership, the strengthening of party to party links, and the Vietnamese cadre of advisers to the Lao Government. The Lao Communist leadership that took power in 1975 showed a division between adherents of strong ties with Vietnam and advocates of a more independent policy, especially in relation to the China-Vietnam dispute. Prime Minister Kaysone has headed the pro-SRV faction while President Souphanouvong and Deputy Prime Minister Phoumi Vongvichit reportedly emphasized the need for a greater independence.³⁶

The Kaysone faction has gained a dominant position in the party and the cabinet, and Laos' increasing adherence to Vietnamese policies has reflected this shift. Souphanouvong, who had advocated a middle position between Vietnam and China as late as October 1978, soon conformed to the Kaysone faction's denunciations of China and support of Vietnam's invasion of Kampuchea, which had become official government policy after China's invasion of Vietnam in March 1979.

Purges of high ranking officials suspected of pro-China or anti-Vietnam attitudes reportedly occurred in 1979. Several of the arrested officials were close to Phoumi Vongvichit, who has since played a less prominent role in the leadership.³⁷ The purge continued in 1980 as Kaysone emphasized the requirement that party cadre and bureaucrats cooperate with Vietnam and the Soviet Union and eliminate the influence of Maoism.³⁸ Lao Information Minister Sisana Sisane stated in 1980 that the LPRD always had followed the lead of the Vietnamese and that the Communist Parties of Indochina were "united as children of one mother."³⁹

Political study programs in Vietnam for Lao officials have become common as a means of strengthening loyalty to the SRV. Even cabinet ministers have been required to undertake such courses, which sometimes last 2 years.⁴⁰ Kaysone, himself, reportedly visits Hanoi as often as twice a month.

The Vietnamese have a direct role in the Lao Government through a corps of civilian "advisers" to government ministries, departments

³⁵ Washington Post, April 25, 1979; New York Times, September 7, 1979. Both the Carter and Reagan administrations have asserted that evidence exists that Vietnam is using biological and chemical agents against the Hmong in Laos.

³⁶ For example, as late as October 1978, Souphanouvong criticized statements that China was supporting anti-government insurgents and planned to attack Laos. Kaysone had accused China in August of supporting tribal insurgencies. By April 1979, Souphanouvong had begun to condemn Chinese "crimes." See: Hiebert, Murray, "Socialist Transformation" in Laos. *Current History*, December 1980, p. 178; Van der Kroef, Laos: *Paradoxes and Dilemmas of Survival*, pp. 161-168.

³⁷ Chanda, Nayan. *Seeking a Different Freedom*. *Far Eastern Economic Review*, December 14, 1979, p. 23. Van der Kroef, Laos: *Paradoxes and Dilemmas of Survival*, p. 171.

³⁸ *Far Eastern Economic Review Yearbook*, 1981, pp. 181-182.

³⁹ *Ibid.*, p. 183.

⁴⁰ *Ibid.*, p. 181; Chanda, *Seeking a Different Freedom*, p. 23; Battye, Michael. *Opposition Roundup Highlights Vientiane's Security Problems*. *Asia Record*, November 1978, pp. 1, 15.

and even the prime minister's office. Estimates of the number of advisers range between 5,000 and 6,000. These include several hundred Vietnamese secret police officials stationed in Laos after 1978 to help identify and arrest dissidents and train Lao security personnel.⁴¹ The rationale for Vietnamese civilian advisers has been enhanced by the Lao refugee exodus into Thailand, which has included thousands of skilled government personnel, and the imprisonment of thousands of other individuals, including former government officials.

Laos has adopted foreign policy positions nearly identical with those of Vietnam since the beginning of 1979. Many observers believe that this results at least in part from direct Vietnamese pressure for support against China. Laos shed any semblance of neutrality between Vietnam and China after the March 1979 Chinese incursion into Vietnam. The government pledged loyalty to Vietnam in any future conflict with China and began to accuse Beijing of subversive designs on Laos. It quickly recognized the Heng Samrin regime in Kampuchea, reportedly sent some troops into northern Kampuchea, and entered into several agreements with the Heng Samrin government.⁴² China, in turn, has openly expressed support for anti-government insurgents and reportedly has provided aid.⁴³

Laos has forged close ties with the Soviet Union largely in parallel with Vietnam although it has not formally joined CMEA, the Council of Mutual Economic Assistance. Some 1,000–2,000 Soviet advisers reportedly are in Laos, and the Soviets may have intelligence-gathering facilities in the country.⁴⁴ Countless delegations now travel to and from Laos and the Soviet Union and the Eastern European states. Laos signed several aid agreements with these countries in 1980.⁴⁵

The subordination of Lao foreign policy to Vietnamese interests appeared to increase in 1980 and 1981, as Vietnam, Laos, and the Heng Samrin regime in Kampuchea presented themselves as one bloc in dealing with the outside world, particularly the ASEAN states. Vietnam noticeably acts as the principal spokesman for the bloc, and Laos has emphasized the bloc's goals in its own diplomacy.

POLICIES TOWARD KAMPUCHEA (1975–1981)

Vietnam's relations with the Khmer Rouge Communist leadership that assumed power in Kampuchea in 1975 developed far differently than the Vietnam-Laos relationship. The Khmer Communist Party under Pol Pot had never accepted the "elder brother-younger brother" relationship that the Vietnamese and Lao parties had developed. The Khmer Rouge movement emerged independently of Hanoi in the 1960's, and it began insurgency after 1966 largely without aid from North Vietnam, which chose then to deal with Prince Sihanouk. Only after the overthrow of Prince Sihanouk in 1970 did the North Vietnamese provide direct military support. Throughout the Cambodian

⁴¹ McBeth, *Laos: the Government Under Guard*, p. 10; Van der Kroef, *Laos: Paradoxes and Dilemmas of Survival*, p. 160.

⁴² Brown, MacAlister and Joseph J. Zasloff, *Laos 1979: Caught in Vietnam's Wake*, Asian Survey, February 1980, pp. 103–106; Hiebert, "Socialist Transformation" in Laos, p. 178.

⁴³ McBeth, John, *Squeezing the Vietnamese*, Far Eastern Economic Review, December 19, 1980, p. 9, Far Eastern Economic Review 1982 Yearbook, p. 189.

⁴⁴ Bangkok Post, March 25, 1980; McBeth, *Laos: the Government Under Guard*, p. 10.

⁴⁵ Bedlington, Stanley, *Laos in 1980: the Portents are Ominous*, Asian Survey, January 1981, pp. 107–108.

conflict of 1970-75, the Khmer Rouge resisted North Vietnam attempts to establish a Vietnamese political leadership over the insurgency and gain agreement for a future "confederation approach" by Vietnam, Laos, and Cambodia. It apparently did not accept North Vietnamese advice to ally with Sihanouk against the Lon Nol regime.⁴⁶

After April 1975, the Government of Democratic Kampuchea (DK) under Pol Pot sought to distance itself from Vietnam and adopted a hostile stance toward the Socialist Republic of Vietnam (SRV). Skirmishes along the border occurred in 1975 and 1976, as both sides attempted to control disputed areas. The DK charged that Vietnam was trying to absorb Kampuchea into a Hanoi-dominated Indochina federation, and it cited Vietnam's domination of Laos as proof of its assertion. The Vietnam Government denied the accusation, but did state that Vietnam and Kampuchea should have a "special relationship."⁴⁷ The SRV also denied Khmer Rouge claims that it was behind several coup attempts against the Pol Pot regime that apparently were carried out by pro-Hanoi members of the Khmer Communist Party.

Khmer Rouge attacks across the Vietnamese border intensified after April 1977. Vietnamese forces responded with major assaults into eastern Kampuchea at the end of the year. The SRV offered a peace plan in February 1978 and called for negotiations, but the DK Government rejected the proposal.

Vietnam probably had three policy options at the beginning of 1978: (1) continue fighting along the border and pressure the DK Government to negotiate; (2) try to overthrow the Pol Pot regime through subversion or insurgency; and (3) invade Kampuchea and install a puppet regime. Reportedly, Vietnamese Communist sources later disclosed that the Vietnamese Communist Party Central Committee decided in February 1978 to establish a Khmer political organization and insurgent force to topple Pol Pot and employ Vietnamese military force if necessary.⁴⁸

Hanoi subsequently prepared for action along these lines. A political organization was established under Heng Samrin, a defector from the DK Government; but this quickly became a cover for the actual invasion plans. Vietnamese forces invaded on December 25, 1978, and overran Kampuchea in a month. The Vietnamese installed Heng Samrin as head of a new government in Phnom Penh.

The SRV probably had several reasons for deciding upon an invasion. The other two options had less chance of success. Hanoi also was concerned over the growing Chinese support of the DK, which by 1978 included arms and 5,000-6,000 military advisers.⁴⁹ Chinese aid added

⁴⁶ For background of the Khmer Rouge's relationship with North Vietnam, see: U.S. Congress, House, Committee on International Relations, Subcommittee on Asian and Pacific Affairs, *Vietnam-Cambodia Conflict*. Report prepared by the Congressional Research Service, Library of Congress, 95th Congress, 2d session, Washington, U.S. Government Printing Office, 1978, pp. 4-7; Osborne, Milton, *Kampuchea and Viet Nam: a Historical Perspective*, Pacific Community, April 1978, pp. 249-263; Tai, Sung An, *Turmoil in Indochina: the Vietnam-Cambodia Conflict*, Asian Affairs, March-April 18, 1978, pp. 245-256; Cambodia vs. Vietnam, *Far Eastern Economic Review*, January 13, 1978, pp. 10-16.

⁴⁷ This was specifically asserted in the foreign policy resolutions of the Fourth Party Congress of the Vietnamese Communist Party in December 1976. For subsequent Vietnamese statements on the "special relationship," see: *The Guardian* (Manchester), April 16, 1978; Chanda, Nayan, *The Bloody Border*, *Far Eastern Economic Review*, April 21, 1978, p. 17.

⁴⁸ Chanda, Nayan, *The Timeable for Takeover*, *Far Eastern Economic Review*, February 23, 1979, pp. 33-34.

⁴⁹ Leighton, Marian Kirsch, *Perspectives on the Vietnam-Cambodia Border Conflict*, *Asian Survey*, May 1978, p. 451; Duncanson, Dennis, *Limited Sovereignty in Indochina*, *World Today*, July 1978, pp. 260-268.

to the difficulties involved in achieving success through the first two options. Moreover, given the generally deteriorating Sino-Vietnamese relationship by 1978, a stronger DK backed by China could have presented a threat to Hanoi's control over southern Vietnam. A Vietnamese-backed internal uprising had little short-term prospect of success. Vietnam also had the precedent of the successful use of conventional military power against South Vietnam in 1975. The Soviet Union reportedly urged Hanoi to adopt the invasion option⁵⁰ and provided extensive military support for the operation. Finally, the Vietnamese obviously felt frustration and impatience with the problem and over the DK's refusal to consent to a "special relationship."

Although observers and scholars have debated Vietnam's motives in launching the invasion, its conduct since then clearly indicates that Hanoi now seeks a dominant position in Kampuchea, probably similar to its present role in Laos. Several specific objectives point to this overall aim. Within Kampuchea, 180,000–200,000 Vietnamese troops seek to eliminate Khmer Rouge guerrilla resistance and a smaller non-Communist resistance group of about 5,000–9,000 under Son Sann, a former Khmer political leader. The Vietnamese also are trying to organize a new Khmer Communist Party and government that combine effectiveness in governing and loyalty to the SRV. Hanoi's foreign policy emphasizes the securing of international recognition for the Heng Samrin government in Phnom Penh, which the Vietnamese installed during the invasion. Vietnamese diplomacy gives priority to the ASEAN states in this regard, since the ASEAN governments, especially Thailand, are supporters of the Khmer Rouge government and seek to build up Son Sann's group. In addition, Vietnam has organized the governments in Vientiane and Phnom Penh into an Indochina bloc under SRV leadership, and it promotes the bloc concept in dealings with ASEAN.

The importance attached by the Vietnamese Government to its Kampuchea policy is indicated by the individuals with responsibility for it. General Van Tien Dung, the Defense Minister, Politburo member, and highest ranking military officer directs Vietnamese military forces. Le Duc Tho, high ranking Politburo member and Hanoi's chief negotiator with Henry Kissinger during the Vietnam war, is in charge of political policy. Both men are close associates of Le Duan, First Secretary of the Vietnamese Communist Party.⁵¹

Militarily, 180,000 to 200,000 Vietnamese troops control the major towns, roads, and populated areas. Most Khmer Rouge guerrilla activity is in the extreme western part of Kampuchea near the Thai border, although small-scale attacks occur in other areas. Khmer Rouge forces, estimated to number between 30,000 and 45,000, do not pose a serious threat to Vietnamese control, but they have displayed a resiliency in the face of repeated Vietnamese search and destroy operations. They have been aided by the rugged geography of western Kampuchea; material support received from China; aid and sanctuary from Thailand which comes through Khmer refugee encampments on both sides of the Thai-Kampuchea border; and the organization of Khmer Rouge units into small mobile units.

⁵⁰ Chanda, Nayan. *Peking Escalates the War of Nerves*. *Far Eastern Economic Review*, March 17, 1978, pp. 10–11; *Asian Wall Street Journal*, May 23, 1978; Chanda, *The Timetable for Takeover*, p. 33.

⁵¹ Pike, Douglas. *Vietnam in 1980: The Gathering Storm*. *Asian Survey*, January 1981: 91.

The Khmer Rouge are hampered by the hostility and fear directed at them by large segments of the Khmer people because of the massive killings and hardship inflicted by the Pol Pot regime during the 1975-78 period. Many visitors have concluded that the Khmer people have accepted the Vietnamese military presence rather than risk a return of the Khmer Rouge.⁵² A third option, the non-Communist resistance groups, are too small to challenge either the Vietnamese or the Khmer Rouge. The Khmer People's National Liberation Front under Son Sann, the strongest of these groups, is believed to have at most 9,000 men under arms. Negotiations aimed at the establishment of a united front have taken place between the Khmer Rouge and the non-Communist groups, but they have achieved little progress.

An estimated one-third of Vietnamese forces are committed to anti-insurgent operations, and the remainder engage in pacification missions in towns and villages and along major transport routes.⁵³ The Vietnamese appear to have the sole combat role and apparently have had little success in establishing a viable Khmer military force under the Heng Samrin government.⁵⁴

The Soviet Union underwrites the Vietnamese military presence. U.S. officials estimate that Soviet assistance to the Vietnamese effort in Kampuchea amounts to at least \$3 million per day. The Soviets reportedly are involved in transporting Vietnamese troops and supplies to Kampuchea, and several hundred Russian advisers apparently are in Kampuchea.

The Vietnamese have not launched concerted attacks into Thailand aimed at refugee camps through which the Khmer Rouge derive much of their food, supplies, and manpower. Vietnamese forces have the capability to undertake such operations, but they appear to be deterred by several factors, including the likely Thai resistance, the threat of Chinese retaliation, and possibly advice from the Soviet Union to exercise restraint. Some observers believe that the Khmer Rouge do not present a formidable enough threat so that Vietnam would feel the need to respond by cross-border attacks. However, Vietnamese forces launched major attacks against Khmer Rouge areas inside Kampuchea early in 1982.

Politically, the Vietnamese have had only limited success in developing an indigenous administration and Communist Party. Thousands of skilled Khmer were killed during the 3½ years of Khmer Rouge rule, leaving few trained people for the Vietnamese to draw upon. Moreover, Vietnam invaded before it has established an extensive Khmer political organization.

Thus, despite the professions of independence, the Heng Samrin regime is heavily dependent on Vietnam for aid in the daily affairs of Government. The eight member Revolutionary Council, which governed until May 1981, was composed mainly of low ranking Communist Party officials who defected from the Khmer Rouge government. Until December 1981, the government was led by a number of Khmer Communists led by Defense Minister Pen Sovan, who

⁵² Kamm, Henry. Life in "Liberated" Cambodia. *New York Times Magazine*, May 18, 1980; Chanda, Nayan. A. Phoenix from the Ashes of Death. *Far Eastern Economic Review*, April 4, 1980, p. 20. Lelifer, Michael. Kampuchea in 1980: the Politics of Attrition. *Asian Survey*, January 1981, p. 99.

⁵³ Pike, Vietnam in 1980: the Gathering Storm, p. 91.

⁵⁴ Bangkok Post, January 6, 1981; Asian Wall Street Journal, January 30, 1981; Washington Post, December 27, 1981.

all had a long association with the Vietnamese Communist Party. These individuals were prominent in the leadership of a People's Revolutionary Party of Kampuchea, which was unveiled in May 1981.⁵⁵ However, Pen Sovan was ousted in December 1981, and a number of his associates reportedly were arrested. Heng Samrin assumed Pen Sovan's post as the party's secretary general. U.S. Government and independent observers believe that Vietnam orchestrated the ouster because Pen Sovan had shown too much independence in dealing with the Soviet Union.

Within the Phnom Penh bureaucracy and at the province, district and village levels, officials are a mixture of Khmer Rouge defectors and former officials of the pre-1975 governments of Prince Sihanouk and Lon Nol.⁵⁶ International relief officials and Vietnamese officials in Cambodia frequently criticize the administrative skills of the Heng Samrin government. This, coupled with Hanoi's desire for political control and loyalty, has resulted in a continuing Vietnamese presence at all levels of government. Vietnamese political advisers have functioned down to the village level, and local Vietnamese military units often take on political functions. Other organs of government outside the direct line of administration also have Vietnamese advisers attached to them. Khmer officials have admitted openly their dependence on the Vietnamese.⁵⁷

Reports indicate that the Vietnamese may have withdrawn a few advisers from the lower levels of administration.⁵⁸ This would indicate that they have had some success in setting up a workable governmental structure. It may also reflect the improvement in economic conditions that has taken place since Kampuchea experienced famine in late 1979. Nevertheless, the Vietnamese army remains as a political force in the countryside, and Vietnamese continue to direct most levels of government.⁵⁹

Vietnam has relied on "political education" as a key method of instilling loyalty to the SRV among Khmer government and Communist officials as well as training in administration. Political education schools for Khmer officials operate both in Kampuchea and Vietnam. Attendance appears to cut across a broad spectrum of Khmer officialdom.⁶⁰ Courses, which reportedly run 3 to 6 months, offer training in government administration; and they reportedly stress themes of cooperation with Vietnam, unity of the Indochina states, and opposition to China.⁶¹

These themes also have figured prominently in Vietnam's diplomacy on the Kampuchea issue. Vietnam's principal objective is to secure international acceptance of its predominant position in Kampuchea. It hopes to achieve this by gaining recognition of the Heng Samrin

⁵⁵ Chanda, Nayan. Phnom Penh Chews Over the Coalition Idea. *Far Eastern Economic Review*, April 11, 1980, pp. 12-13. Leifer, Michael. Kampuchea in 1980: the Politics of Attrition. *Asian Survey*, January 1981, p. 97; Chanda, Nayan. The Survivor's Party. *Far Eastern Economic Review*, June 12, 1981, p. 22.

⁵⁶ Zasloff, Kampuchea: A Question of Survival. Part I, pp. 7-8; Chanda, Phnom Penh Chews Over the Coalition Idea, pp. 12-13.

⁵⁷ Kamm, Henry. Life in "Liberated" Cambodia.

⁵⁸ *Asian Wall Street Journal*, January 13 and 30, 1981.

⁵⁹ *Ibid*; *Far Eastern Economic Review* 1982 Yearbook, p. 128.

⁶⁰ *Asian Wall Street Journal*, January 29, 1981; Porter, Gareth. Vietnam in Kampuchea—Aims and Options. Washington, Center for International Policy, May 1981, p. 2. Doctors in Phnom Penh, for example, spend 10 days a month at a political education school.

⁶¹ Chanda, Nayan. The Strongman's Hanoi Account. *Far Eastern Economic Review*, April 4, 1980, pp. 23-24. *Far Eastern Economic Review* Yearbook, 1981, pp. 167-168. Kamm, Life in "Liberated" Cambodia.

government from the international community, especially the ASEAN states. Vietnam has urged numerous "Third World" governments to establish diplomatic relations with the Heng Samrin government, and Hanoi has tried in the United Nations to secure the Kampuchea seat for Heng Samrin. It has urged U.N. relief agencies in Kampuchea to work directly with the Phnom Penh regime. Vietnamese proposals to ASEAN usually call for Thailand to negotiate directly with Heng Samrin.

Vietnam stresses that it will enter into no agreement that would change the basic composition of the Heng Samrin regime or erode the commanding position of the pro-Hanoi Khmer Communist Party.⁶² Vietnam rejects any future political role for the Khmer Rouge. Vietnamese officials sometimes have suggested that they might accept a coalition government which included non-Communist figures like Prince Sihanouk. More often, they have rejected a role for such individuals and link them with the Khmer Rouge as "reactionaries" and tools of China and the United States.⁶³

Vietnam also has promoted in its diplomacy the concept of an SRV-led Indochina bloc. Within days after the Vietnamese installed Heng Samrin and his associates in Phnom Penh, Vietnam and the new Khmer regime signed a friendship and cooperation treaty, which, like the Vietnam-Laos treaty of 1977, provided for a direct Vietnamese role in the "defense" of Kampuchea. The Lao and Heng Samrin governments concluded a similar pact in March 1979, thus completing the web of "special relationships" among the Indochina states. Since 1980, the foreign ministers of Vietnam, Laos and Kampuchea (Heng Samrin) have met several times and have issued proposals for talks between the ASEAN governments and the Indochina Governments. Such negotiations, in Hanoi's view, would help to legitimize the Indochina bloc in international diplomacy and would necessitate ASEAN dealings with the Phnom Penh government. Thus, the SRV has rejected the United Nations international conference on Kampuchea held in July 1981. Moreover, Vietnam would seek to limit discussion of issues in an ASEAN-Indochina meeting to its proposals aimed at ending Thai support for the Khmer Rouge and creating non-aggression pacts between the two blocs.⁶⁴

Finally, Vietnam maintains that it will not reduce its military presence in Kampuchea unless the ASEAN states end their support of the Khmer Rouge and unless China ceases its confrontation with Hanoi and accepts Vietnamese domination of both Laos and Kam-

⁶² Chanda, Nayan. An Uncompromising Mood in Hanoi. *Far Eastern Economic Review*, January 11, 1980, p. 18. Chanda, Nayan. The Irreversible is Still Discussible. *Far Eastern Economic Review*, February 6-12, 1981, pp. 8-9.

⁶³ Quan Doi Nhan Dan, September 7, 1981; Nhan Dan, June 20, 1981. Chanda, The Irreversible is Still Discussible, pp. 8-9; Quinn-Judge, Paul. ASEAN's Vietnam Problem: Confrontation or Dialog. Washington, Center for International Policy, 1980, pp. 5-6. Interview with Nguyen Co Thach. *Far Eastern Economic Review*, Jan. 29, 1982, p. 16.

⁶⁴ Interview with Nguyen Co Thach, p. 16. Radio Hanoi, January 28, 1981; New York Times, January 29, 1981; Agence France Press (Hong Kong), January 29, 1981. See, in particular the statement of January 29, 1981, by the SKV Ambassador to Thailand. See also: Porter, Gareth. Kampuchea Conference: Cracks in the Coalition. Washington, Center for International Policy, July 1981, pp. 6-7; Niksch, Larry A. Thailand in 1980: Confrontation with Vietnam and the Fall of Kriangsak. *Asian Survey*, February 1981, pp. 225-226. Vietnam's proposals, made through the Indochina foreign ministers, include creation of a demilitarized zone on both sides of the Thai-Kampuchean border, negotiations between the Thai and Heng Samrin governments, Thai action to disarm the Khmer resistance forces, the relocation of refugee camps in Thailand away from the border, the placing of all international aid to refugees under the auspices of the Heng Samrin government, and non-aggression treaties between the Indochina states and Thailand.

puchea. SRV officials state that Vietnam would consider a partial troop withdrawal, including a pullback from the Thai border, if Thailand terminated aid to the Khmer Rouge and other resistance groups. They emphasize that China must end its threat to the Indochina states before Vietnam "will consider" a total troop withdrawal. Vietnam has specifically proposed that China sign non-aggression pacts with the Indochina states. Vietnamese officials in Kampuchea stress, however, that the timing and scope of a Vietnamese withdrawal will be determined by the ability of the Phnom Penh regime to govern the country and maintain security. This process, they suggest, will take several years.⁶⁵

FUTURE VIETNAMESE POLICIES TOWARD LAOS AND KAMPUCHEA

Vietnam would appear to have two broad options in its future policies toward Laos and Kampuchea. The first is the present policy of maintaining and consolidating its military and political controls over its neighbors. The second would be to reduce its control and accept a more independent and perhaps neutral Laos and Kampuchea.

The first option is the more likely scenario over the next few years. The trend since 1975 has been one of increasing Vietnamese domination of its neighbors. This has been institutionalized through the Vietnamese military and political presence in both countries, closer party to party ties, the friendship and cooperation treaties, and Vietnam's "Indochina bloc" diplomacy. Vietnamese officials use the word "irreversible" to describe the Vietnamese-Kampuchea relationship, and they undoubtedly hold the same view with regard to Laos. The establishment of a federation or confederation remains a future possibility. Whether such a scheme was termed a federation or confederation, Vietnam could be expected to exercise tight control from the center in the same manner that the Soviet Government dominates the "socialist republics" of the U.S.S.R.

The second option would undoubtedly require Vietnam to withdraw most or all of its troops from Laos and Kampuchea, lower its political advisory presence, end its apparent pressure on the Lao Government to purge anti-Vietnamese or pro-neutralist elements, and accept a coalition government in Kampuchea with some real power held by non-Communist elements. Vietnam's only proposals having any relationship to these requirements are that of a partial troop withdrawal if Thailand cuts off aid to the Khmer Rouge, and a total withdrawal if China accepts Vietnamese dominance of Laos and Kampuchea. These possible actions would appear to be more in line with the first option rather than the second.

Some observers believe that the present situation in Kampuchea is acceptable to the Vietnamese leadership, even though the Vietnamese presence there is much greater than in Laos and the Vietnamese have not accomplished all of their in-country objectives. They point out that the Khmer Rouge is no threat to Vietnamese military control and is unlikely to be in the future. The Khmer people's hostility to Pol Pot and his associates should continue, limiting the Khmer Rouge's poten-

⁶⁵ Porter, *Vietnam in Kampuchea: Issues and Options*, p. 2; Bangkok Nation Review, July 28 and 29, 1981. Accounts of views of SRV Foreign Minister Thach. For Thach's recent offer of a partial troop withdrawal, see Washington Post, January 7, 1982, and Far Eastern Economic Review, Feb. 16, 1982, pp. 16-17.

tial sources of support and making a Vietnamese occupation more acceptable to the Khmer people. Khmer nationalism could, in time, re-merge as an anti-Vietnamese force, but there is no organized Khmer movement that could mobilize the masses against Hanoi. Son Sann's resistance group has not yet developed into a major military and political force. Efforts to form a united front of the Khmer Rouge, Son Sann, and Prince Sihanouk are still in an uncertain, initial stage; and deep suspicions continue to divide these factions. Vietnam also has had some success in establishing a viable Khmer government. Although progress probably has been slower than expected, the Heng Samrin administration should grow stronger in the future. Economic conditions are improving, and the threat of famine seems to be lessening. Internationally, the Soviet Union appears willing to finance the Vietnamese military commitment in Kampuchea. Vietnamese officials express confidence that, in time, opposition to the Heng Samrin will break down in the United Nations and elsewhere.

A reduction of the Vietnamese presence and/or control in Laos and Kampuchea could take place under three sets of circumstances:

(1) the establishment of viable indigenous military forces under the Vientiane and Phnom Penh governments that could contain the insurgencies;

(2) an arrangement between Vietnam and ASEAN under which Thailand would shut off all aid to the Khmer resistance forces through Thai territory; and

(3) the inability of Vietnam to maintain its military presence in Laos and Kampuchea, which would force it to withdraw and/or negotiate for a neutral regime.

In the first set of circumstances, the establishment of viable indigenous military forces under the Vientiane and Phnom Penh governments that could contain the insurgencies, Vietnam conceivably might reduce the number of its troops in Laos and Kampuchea, but a reduction undoubtedly would be limited. Vietnam has not given special priority to strengthening Lao forces despite the broadened SRV military responsibilities there. Consequently, Hanoi may intend that an indigenous Khmer army would have only limited capabilities and responsibilities. Under these conditions, Vietnam would maintain an important (if somewhat reduced) military presence in Laos and Kampuchea, and its overall dominance would continue.

Under the second scenario involving an arrangement between Vietnam and ASEAN under which Thailand would shut off all aid to the Khmer resistance groups through Thai territory, the most likely Vietnamese response would be to withdraw a small portion of its troops from Kampuchea. Since most of the 200,000-man force is engaged in pacification and political administration, the majority of the troops would likely be retained so long as the Heng Samrin army was incapable of providing internal security. Vietnamese forces might pull back from the Thai border under this arrangement. SRV acceptance of a genuine coalition government would be a less likely response. In short, fundamental Vietnamese control would persist unless a real coalition government was established under a formula for a neutral Kampuchea. Hanoi shows no signs of making these kinds of concessions to the ASEAN countries.

The third set of circumstances, in which Vietnam was physically unable to maintain its military presence in Laos and Kampuchea and was forced to withdraw and/or negotiate for a neutral regimes, could be brought about by a Chinese invasion of Vietnam much broader in scope than the incursion of 1979, by a breakdown of Vietnam's economy followed by a change of leadership and the adoption of radically different policies, by a termination or sharp reduction of Soviet aid, or by the emergence of a much stronger non-Communist resistance movement to challenge the Vietnamese politically and militarily.

In conclusion, Laos and Kampuchea are unlikely to determine their own fate. The shape of their future appears to rest upon the decisions of the regime in Hanoi. Continued domination by Vietnam is probable unless Hanoi loses control through actions by the U.S.S.R. or China or because of internal crisis. If Vietnamese control does continue, the question for Southeast Asia and the major powers is whether the SRV will devote all of its energies to consolidation and internal development of its Indochina bloc or whether it will use Laos and Kampuchea as springboards for military pressures and subversion against Thailand.

RELATIONS WITH CHINA AND THE SOVIET UNION

The abrupt collapse of U.S. supported governments in South Vietnam and Cambodia during spring 1975 laid bare conflicting interests of Communist powers in Southeast Asia and prompted several important changes in international relations of the region. Perhaps the most remarkable change was Hanoi's shift from its past preoccupation with the behavior and intentions of its longstanding adversary in the West, the United States, to an overriding concern with preserving national security and expanding influence in Indochina in the face of the perceived threat posed by its former ally China. To deal with the new adversary, Vietnamese leaders have taken the unprecedented step of aligning closely with their only major international supporter, the U.S.S.R.—a stance seemingly antithetical to Vietnam's tradition of independence in foreign affairs.⁶⁶

BACKGROUND

The Vietnamese Communists had extensive experience managing relations with China and the Soviet Union. Aware at an early date that Peking and Moscow were rivals as well as ostensible allies in the international Communist movement, Hanoi leaders tried to maneuver between them and were frequently adroit in gaining needed support from one or the other power, without being overly dependent on either. (Of course, on those few occasions when Peking and Moscow adopted policies that undercut Hanoi's objective—as they apparently did in seek-

⁶⁶ For further information, see Douglas Pike, "The Impact of the Sino-Soviet Dispute on Southeast Asia," paper presented for the University of Washington Conference on the Sino-Soviet Dispute, October 30–November 1, 1980. (Hereafter cited as Pike, *Sino-Soviet Dispute on Southeast Asia*.) See also his article, *The U.S.S.R. and Vietnam: Into the Swamp*, *Asian Survey*, December 1979.

This section benefited considerably from the growing body of literature on recent Sino-Vietnamese relations and from some recent studies on Soviet policy toward Indochina. Notable in this regard are Treliak, Daniel, *China's Vietnam War and Its Consequences*, *China Quarterly*, December 1979; Elliot, David, ed., *The Third Indochina Conflict*, Westview Press, 1981; Miller, H. Lyman, "From the Third Plenum to the April Adverse Current: The Domestic Politics of Sino-Soviet Detente," paper presented at the annual meeting of the New England Regional Conference of the Association for Asian Studies, October 20, 1979; and Turley, William, and Jeffrey Race, *The Third Indochina War*, *Foreign Policy* Spring 1980.

Articles noted below by Gareth Porter on Vietnam's approach to foreign affairs and by Douglas Pike on the impact of Sino-Soviet relations on Vietnam's foreign relations have been especially useful. Another very valuable source for describing the play-by-play in Vietnam's foreign policy has been the *Trends in Communist Media*, a weekly publication of the U.S. Foreign Broadcast Information Service which contains articles analyzing the foreign policy pronouncements of the major Communist countries.

The author consulted with and is indebted to many colleagues for their insights. They include Hollis Hobbel, Lyman Miller, Douglas Pike and Gareth Porter.

ing a compromise settlement over Indochina during the 1954 Geneva Conference—the Vietnamese were compelled to acquiesce, at least for a time, and to accept an Indochina solution short of their optimal goals.) After the Sino-Soviet dispute emerged into full view in 1960, Hanoi carefully walked a middle path which avoided too close an alignment with either power while receiving aid from both. This path was not straight, however. From time to time, the Vietnamese identified somewhat more closely with one side or the other as their needs and ideological viewpoints shifted. Thus, when the Soviet Union in the latter stages of Khrushchev's administration reduced Soviet interest in Indochina, Vietnam turned more toward China, which seemed willing to take up the slack. When Peking was racked by the tumultuous Cultural Revolution and became stridently opposed to the Vietnamese following Soviet advice and entering the Paris peace talks with the United States in the late 1960's, Hanoi turned away from China and found the U.S.S.R., under Brezhnev, a more steady political and military supporter. When Hanoi prepared for large scale military assault against American-backed forces in South Vietnam during 1972 and 1975, it found China either unable or unwilling to provide major help while the U.S.S.R. came through with needed weaponry and equipment.

To outside observers, it seemed obvious that Vietnam was extremely dependent on the military and economic support provided by its two Communist allies. And yet, throughout its struggles against the West, Hanoi maintained a strong ideological position stressing its independence from these allies. Hanoi sometimes even showed signs of an attitude of moral superiority toward them. In particular, Vietnamese leaders set themselves above the Communist leaders of China and the U.S.S.R. by virtue of the fact that Vietnam was the only country currently willing to make supreme sacrifices in the face of Western imperialism; the Sino-Soviet powers, by contrast, were seen as not even willing to reconcile their parochial differences for the sake of providing unified backing for the battlefield against imperialism in Southeast Asia. Thus, the amount of leverage or influence Moscow and Peking were able to exert over Hanoi at any particular time was limited: not only did the Vietnamese leaders always retain the option to shift from one side to the other in the Sino-Soviet rivalry, but their deeply set nationalism seriously undercut foreign efforts at manipulation.

U.S. WITHDRAWAL, 1975: IMPACT ON VIETNAM-CHINA-SOVIET RELATIONS

The sudden end of the war in South Vietnam and the withdrawal of American power from Indochina in 1975 created a power vacuum which brought into sharper relief the frequently contradictory interests of Hanoi and its Sino-Soviet allies in the region. Sino-Vietnamese differences were clearly more important than those between Hanoi and Moscow at that time, although Vietnamese leaders still adhered to past practices in maintaining a publicly even-handed posture toward the two powers.

SOVIET-VIETNAMESE DIFFERENCES

Hanoi's victory in the South was due in considerable measure to Soviet supply of heavy military equipment during the 1970's—a factor which helped to offset Soviet-Vietnamese friction over other issues. Hanoi still was not prepared to take sides with the U.S.S.R. against China, nor would it endorse such elements in the Soviet strategy in Asia as the Moscow fostered "Asian Collective Security System," which was widely seen as directed against China. Vietnamese leaders may also have judged in private that their past sacrifices against the United States had warranted more generous support from Moscow,⁶⁷ even though their media and other public pronouncements claimed to be satisfied with the level of Soviet support. Hanoi also remained suspicious that broader Soviet foreign policy objectives—e.g., détente with the United States—might lead to Soviet behavior contrary to Vietnamese interests, as they had in 1972 when Moscow warmly welcomed President Nixon despite the fact that the U.S. President had just recently ordered the mining of Haiphong harbor and other Vietnamese ports.

SINO-VIETNAMESE DIFFERENCES

Hanoi's differences with China were much greater. Peking had appeared more reluctant than Moscow to support Vietnamese military action in violation of the Paris Peace Agreement of 1973; and it had been much less generous than Moscow as a supplier of military aid in the latter stages of the war. Indeed, China would have found it difficult to provide the kind of heavy and sophisticated military equipment which Hanoi needed—and received from Moscow—for its final assault on the South.

Unlike Soviet-United States détente, which focused on arms control and Europe, the Sino-American reconciliation engineered during Nixon's visit to China in 1972 seemed to have more direct and serious implications for Vietnamese interests in Asia. The reconciliation appeared to create the beginnings of a Sino-American condominium in the region in which the United States would be encouraged by China to withdraw only slowly from forward positions in order to avoid creating a power vacuum that could be exploited by China's main enemy, the U.S.S.R. Presumably, China wanted time to build up its own strength in order to fill the gap left as the United States gradually withdrew. Of course, Peking's desire to see the United States withdraw only slowly from Indochina and Southeast Asia clearly ran in opposition to Hanoi's basic foreign policy objectives.

Chinese policy was upset by the abrupt collapse of the U.S. backed government in Saigon. The subsequent adjustment in Chinese policy complicated Sino-Vietnamese relations. While Peking duly congratulated Hanoi on its victory, it also launched a heavy handed propaganda effort designed to warn leaders throughout Southeast Asia, including the Vietnamese, to beware of the Soviet "tiger" entering Southeast Asia through the "back gate" as the American "wolf" was being driven from the "front door." Peking stepped up efforts to im-

⁶⁷ Ibid. Pike's paper argues persuasively that the Vietnamese might have remained dissatisfied with Soviet aid, even though Soviet support was crucial in allowing the Vietnamese to march to victory in 1975.

prove diplomatic relations with non-communist countries in South-east Asia, stressed repeatedly its intention to work with them to oppose the expansion of Soviet "hegemonism" into Southeast Asia, began to portray the Association of Southeast Asian Nations as a useful regional bulwark against possible Soviet penetration, and, solidified ties with the anti-Soviet Khmer Rouge in Kampuchea.⁶⁸

China's anti-Soviet initiatives were not well received in Vietnam—the only country in the region with close ties to the U.S.S.R. Vietnamese relations with China deteriorated further as Chinese spokesmen persisted in blunt warnings about Soviet ambitions in meeting with Vietnamese leaders, notably during Vietnam Workers Party chief Le Duan's visit to Peking in September 1975. China's handling of the Soviet issue was particularly unwelcome as it coincided with a cutback in Chinese aid to Vietnam—a marked contrast to the U.S.S.R., which maintained generous assistance to the Vietnamese in the post-war period.⁶⁹

Meanwhile, strong Chinese-Vietnamese differences over islands in the South China Sea were seen in the wake of China's 1974 attack against several of the Paracel Islands then held by South Vietnamese forces, and of Hanoi's reaffirmation of its claim to the contested Spratly Islands at the time of the Vietnamese Communist conquest of several of the islands in spring 1975. Other sources of friction included the presence in Vietnam of large numbers of Overseas Chinese, at least some of whom were suspected of being less than totally loyal to the Vietnamese administration.⁷⁰ All these differences came against a long historical background of Vietnamese resistance to Chinese domination—a theme that enjoyed continued favor in Vietnamese media even while China was providing generous amounts of aid during the war against the United States.⁷¹

SOVIET OBJECTIVES AND VIETNAM'S RESPONSE

From Moscow's perspective, the collapse of U.S. influence in Indochina and emerging Sino-Vietnamese frictions were propitious devel-

⁶⁸ By the end of 1975, Peking appeared to have adjusted fairly well to the abrupt collapse of U.S. influence in Indochina. Though strongly suspicious of Soviet efforts to fill the vacuum caused by the U.S. withdrawal, and particularly concerned over Vietnam's growing ties with the U.S.S.R. and opposition to important Chinese interests in Southeast Asia, Peking seemed to view the overall situation in East Asia in a generally more optimistic light. While U.S. power and influence had been weakened, the United States continued to demonstrate an active interest and involvement in maintaining an East Asian balance of power that would preclude strong Soviet penetration into the region. This was underlined by President Ford when he announced the so-called Pacific Doctrine following his visit to China in late 1975. This strategic policy in East Asia following defeat in Indochina was based on U.S. air and naval power in the region and on close U.S. ties with its traditional allies, such as Japan, and with China. It significantly avoided mentioning any major role that the Soviet Union might play in the area.

Meanwhile, Peking had achieved considerable success since early 1975 in broadening its own influence among non-Communist Southeast Asian states. Chinese warnings against the dangers of Soviet expansion were winning new adherents. At the end of the year, the only areas in East Asia where the Soviet Union maintained considerable influence were Vietnam and its ally, Laos.

⁶⁹ Evidence of China's cutback in aid was seen during Le Duan's visit to China, which is reviewed in *Trends in Communist Media*, October 1, 1975. At that time, Peking granted Hanoi an "interest free loan" and a commodity agreement for the next year. This seemed to represent a considerable cutback from Chinese commitments in 1974, which had included "non-refundable" economic and military assistance, a trade accord, a protocol on China's "gratuitous" supply of military equipment and a protocol on supplying Vietnam with "general goods."

⁷⁰ Vietnamese sensitivity to Overseas Chinese was reportedly increased as a result of the disruptive behavior of Chinese in Vietnam during the Cultural Revolution.

⁷¹ In short, Vietnam and China had conflicting images of how the relationship should be defined. China seemed to expect Vietnam to be more deferential to its neighbor, while Vietnam remained highly sensitive to any implied Chinese feelings of superiority or influence over Vietnam.

opments. But a question remained as to how actively the Soviet Union would seek to exploit the new situation. Historically, Moscow had been disinclined to give policy in Southeast Asia a high priority, and experience had shown that unforeseen developments could arise in this region that would seriously complicate Soviet plans, as they had with the emergence of the Sino-Soviet dispute and the anti-Communist purge in Indonesia during the 1960's. Nevertheless, Soviet leaders had invested heavily in Vietnam during the previous decade and almost certainly intended to maintain and capitalize more on this relationship in the newly fluid Southeast Asian situation.

Soviet policy at this time generally revolved around several objectives concerning China and the United States. Moscow wished to influence, if not dominate, both politically and strategically the countries bordering on China—a part of a broader objective of lessening Chinese influence all over Asia. It wanted to fill the vacuum left by the United States in Indochina and further reduce the American military presence in Southeast Asia. It wished to woo the non-Communist governments of Southeast Asia and possibly undercut the newly revitalized ASEAN. In this context, it tried to reduce the Southeast Asian governments' ties with outside powers other than the U.S.S.R. and to increase their bilateral economic and cultural contacts with the U.S.S.R.; it supported the concept of a zone of peace in Southeast Asia and hoped to foster eventually closer collective security arrangements there in the context of the implicitly anti-Chinese Asian Collective Security System. Finally, Moscow clearly wanted to increase its naval and other military presence. It seemed to wish to develop a base system in Indochina that would give it greater access to the Indian Ocean.⁷²

In pursuing these objectives, Moscow had few assets other than its close relationship with Vietnam and its steadily developing military strength. Since at least the mid-1960's, Soviet aid had not been well received in the non-Communist countries of Southeast Asia, and political and cultural interchange had been overshadowed by reports of heavy handed Soviet efforts to exert influence and obtain special privileges and intelligence. While Chinese expansion was feared by many in Southeast Asia, few leaders in the region saw reliance on the U.S.S.R. as the answer to this concern. Many judged that closer ties with the U.S.S.R. would have precisely the wrong effect, prompting China to react strongly against them. On the non-government level, the U.S.S.R. enjoyed little popular support; it had also shown itself unable to compete effectively with China for the support of indigenous Communist movements.

Reflecting these constraints, Moscow adhered to a cautious policy—designed to build on its advantage in Vietnam while waiting for the dust to settle elsewhere in the region. The policy hit a responsive chord with the Vietnamese leaders, who by the end of 1975 faced serious internal problems and foreign difficulties with both China and Kampuchea. In particular, Le Duan's visits to Cambodia and China in

⁷² For further discussion, see Pike, *Sino-Soviet Dispute in Southeast Asia*. See also Allan W. Cameron, *Indochina: Prospects After the End*, American Enterprise Institute, 1976. Horn, Robert, *Soviet-Vietnamese Relations and the Future of Southeast Asia*, Pacific Affairs, No. 51, 1978-79. U.S. Congress, House, Committee on International Relations, *The Soviet Union and the Third World: A Watershed in Great Power Policy?* Washington, U.S. Government Printing Office, 1977.

August and September 1975 did not go well. The three governments took the unusual step of airing in public their differences over such sensitive questions as boundary demarcation, cuts in aid, Vietnamese intentions toward Kampuchea and the Khmer Communist Party, and Vietnamese-Soviet relations.⁷³

In contrast, Le Duan's visit to Moscow in October marked a clear advance in Vietnamese-Soviet relations. Brezhnev extended extraordinary praise for Le Duan, and the two sides said they had reached a "complete identity of views"—a far cry from the differences which had plagued past Soviet-Vietnamese meetings. The visit also saw a number of important economic agreements whereby the U.S.S.R. undertook to support much of Vietnam's postwar economic reconstruction while continuing to supply military equipment. The visit was such a high point of Soviet-Vietnamese friendship that analysts in the West began to question whether Hanoi—given China's cool attitude in the postwar situation—had decided to put aside its past even handed posture toward the Sino-Soviet powers and lean markedly toward the U.S.S.R.⁷⁴

DEVELOPING SINO-VIETNAMESE FRICTION, 1976-77

Hanoi's altered approach toward the Sino-Soviet powers developed only gradually during the next 2 years. It was not at all apparent to outside observers that China and Vietnam—despite their differences—were headed toward a violent confrontation, or that Hanoi and Moscow—despite their parallel interests—were prepared to align together against China. Soviet leaders had made clear their willingness to support Vietnam in the postwar period and were presumed to welcome any opportunity to consolidate relations with Hanoi at the expense of China. But analysts judged that the Vietnamese, while leaning in the direction of the U.S.S.R., wished to avoid a major showdown with China that would require closer identification with the U.S.S.R. The problems faced by the Vietnamese leaders did not seem to warrant such drastic action.⁷⁵

Both Vietnam and China appeared preoccupied with domestic problems during 1976. China grappled with the major leadership struggles which followed the deaths of Zhou Enlai and Mao Zedong in January and September, respectively, and Vietnam focused on sorting out numerous economic and political problems prior to the Fourth Vietnamese Workers Party Congress at the end of the year. Peking and Hanoi commentary showed that the two sides had not reconciled their numerous differences. Indeed, Hanoi's party congress reflected its pro-Soviet orientation in highlighting prominently the role of Soviet Party leader Suslov at the session. No visiting Chinese official attended the congress. The meeting also removed from power a number of high-level Vietnamese officials who in the past had been associated closely with a position favoring cordial relations with China, or who had family ties with China. But neither Hanoi nor Peking appeared ready to make a major public issue of this or any of their other disagreements.⁷⁶

⁷³ See *Trends in Communist Media*, August 6, 1975 and October 1, 1975.

⁷⁴ *Ibid.* November 5, 1975.

⁷⁵ See Carlyle Thayer, *Dilemmas of Development in Vietnam*, *Current History*, December 1978; and his *Vietnam's External Relations: An Overview*, *Pacific Community*, January 1978.

⁷⁶ See, *Trends in Communist Media* during this period.

The post-Mao leaders in China were particularly restrained in managing Sino-Vietnamese difficulties during 1977. Some analysts at the time pointed to an "upturn" in relations between the Asian Communists.⁷⁷ Peking sustained correct party and state ties with Vietnamese leaders, and China restricted signs of disagreement to oblique references in Chinese media—a policy of restraint reciprocated by Vietnam.

Sino-Vietnamese moderation was seen in the correct behavior of China and Vietnam during high-level diplomatic exchanges in the latter half of 1977. Chinese leaders gave a "cordial and friendly" welcome to SRV Defense Minister Giap on his arrival in early June,⁷⁸ offered standard warm treatment marking Vietnam's national day in September,⁷⁹ and provided a "cordial and friendly" greeting for Le Duan on his visit to China during November.⁸⁰ Le Duan's visit demonstrated a continuation of strains between China and Vietnam seen in his visit to Peking 2 years earlier, but it produced no public evidence of a deterioration of relations between the two sides.

The outwardly cordial interchange was all the more remarkable inasmuch as it came at a time when the Chinese were stepping up assistance to Pol Pot, and Vietnamese leaders were actively involved in consolidating relations with the U.S.S.R. and Laos and building up military power in order to deal with Cambodia from a position of strength. (In early 1978 Kampuchea belatedly reported major Khmer-Vietnamese border conflicts during September 1977 and criticized persisting Vietnamese efforts to subvert the Pol Pot leadership of the Khmer Communist Party.) Thus, for example, both Giap and Le Duan traveled to China after extensive visits and negotiations in the Soviet Union. Giap followed his trip to China by touring several Vietnamese provinces bordering Kampuchea, presumably in preparation for the Vietnamese military action in September. Meanwhile, Le Duan had confirmed Vietnamese power in Laos during his visit there in July 1977.⁸¹

In the wake of the Vietnamese-Khmer Rouge military conflicts in September (which were not made public until Kampuchea broke relations with Vietnam at the turn of the year), Peking gave an extremely warm welcome to Khmer Communist Party leader Pol Pot during a visit to China in October 1977.⁸² Peking subsequently sent high-level delegates to Kampuchea in December 1977 and January 1978. These steps clearly underlined strong Chinese support for Cambodia and reportedly coincided with the shipment of substantial Chinese material aid, but Chinese officials carefully eschewed public criticism of Vietnam. Peking also appeared to signal continued restraint toward Vietnam when it announced only a few days after Cambodia's public break with Vietnam that a Chinese-Vietnamese trade agreement had been signed in Peking. The Chinese could have delayed the agreement if they had wished to demonstrate displeasure with Hanoi. The SRV trade delegation had been in Peking only 18 days; the previous year's negotiations on the annual trade agreement had kept the Vietnamese in China for almost 6 weeks.⁸³

⁷⁷ See, Carlyle Thayer, *Vietnam's External Relations: An Overview*. Pacific Community, January 1978.

⁷⁸ *Trends in Communist Media*, June 22, 1977.

⁷⁹ *Ibid.* September 8, 1977.

⁸⁰ *Ibid.* November 23, 1977.

⁸¹ *Ibid.* July 20, 1977.

⁸² *Ibid.* October 5, 1977.

⁸³ *Ibid.* January 11, 1978.

THE SINO-VIETNAMESE BREAK, 1978

PRELUDE: THE ISSUE OF ETHNIC CHINESE IN VIETNAM

Sino-Vietnamese relations hit a new snag as a result of apparently unrelated policy changes in both the SRV and China which affected the ethnic Chinese minority in Vietnam.

In January 1978, Peking launched its first major campaign in over 10 years to win the allegiance and support of Overseas Chinese throughout the world. The campaign seemed designed primarily to improve China's access to the considerable technical and financial resources of the Overseas Chinese—especially those in Southeast Asia and the West—as part of China's broader effort to improve foreign contacts in order to facilitate the modernization of its economy. The campaign did not appear directed specifically at Vietnam. Even though the Chinese continued to repeat standard disavowals of any interest in using Overseas Chinese as a source of political influence in foreign countries, the new effort reportedly alarmed a number of Southeast Asian governments, including Vietnam, that China might become more assertive in defending the interests of the large Chinese ethnic populations in the area.⁸⁴

Vietnam, meanwhile, faced bleak economic prospects in early 1978 with heavy unemployment in urban areas and vacant land in the countryside. A major element in the planned solution was a new emphasis in the on-going campaign to move many urban dwellers to primitive "New Economic Zones" in the countryside and to confiscate much of their wealth in the process. Since a large portion of the urban population was Chinese, the campaign fell heavily on the Chinese minority in Vietnam. At the same time, Hanoi moved to exert greater political and economic control in urban areas of the south, and it viewed with particular distrust the ethnic Chinese merchants there. In March 1978, the government took control of trade in the South. The effects of these new policies on the ethnic Chinese may have been made worse by traditional Vietnamese prejudices against them—prejudices exacerbated by the generally widening Sino-Vietnamese rift in the post-war period. In any event, the effect of these policies was to prompt a large exodus of ethnic Chinese from the country.

THE BREAK IN RELATIONS

In the spring of 1978, China and Vietnam began to exchange public charges regarding mistreatment of ethnic Chinese in Vietnam—a propaganda volley that soon escalated to accusations involving Sino-Vietnamese party, economic, territorial and security issues. China took the offensive against Vietnam, repeatedly upping the ante with the presumed objective of forcing Hanoi to back away from its policies opposed to Chinese interests. The Vietnamese rebuffed the Chinese pressure tactics, and they tried to counter the newly apparent Chinese threat in a variety of ways involving both the U.S.S.R. and, to a lesser degree, the United States.

⁸⁴ Ibid. January 5, 1978.

CHINA TAKES THE OFFENSIVE

China's precise motives for changing its approach toward Vietnam are still far from clear. It does seem evident that the overall Chinese objective in the region remained the development of a favorable balance of influence that would reduce or preclude the expansion of Soviet power and the power of countries seen by China as Soviet surrogates. In this regard, it appeared to outsiders that the overall situation in Asia was generally good for China in mid-1978, with only Vietnam, Laos and Afghanistan representing significant troublespots. Nonetheless, the Chinese apparently judged that their past policy of restraint toward Vietnam did not represent a satisfactory approach in the current situation.

It is probably more than coincidence that the new, more forceful approach toward Vietnam was closely associated with Vice Premier Deng Xiaoping, whose influence grew tremendously in Chinese leadership councils during 1978. Deng was especially outspoken in his criticism of Vietnam and of Vietnamese-Soviet relations during conversations with Western visitors to China in mid-1978.⁸⁵ He charged among other things that Vietnam was already a *de facto* ally of the Soviet Union and had allowed the Soviet Union to establish military bases in Vietnam. (Deng was able to offer no proof of this charge, and Western intelligence sources at the time reportedly were unable to detect any solid indication that Soviet forces were in fact establishing bases in Vietnam.)

The new Chinese attitude toward Vietnam also coincided with a generally more assertive Chinese foreign policy against suspected Soviet "expansion" abroad—a policy also strongly pushed by Deng. Thus, for instance, beginning in mid-1978 the Chinese sent several high-level envoys to areas of Africa subjected to Soviet-backed pressure,⁸⁶ began taking a markedly more active role against Soviet programs in international disarmament negotiations,⁸⁷ demonstrated unprecedented Chinese interest in Eastern Europe by sending Party Chairman Hua Guofeng to Romania and Yugoslavia, and signed a peace treaty with Japan and a normalization agreement with the United States—both on the basis of the principle of "anti-hegemony."

Peking's new pressure tactics against Vietnam began with a May 24, 1978, NCNA interview with a spokesman of the Overseas Chinese Affairs Office of the PRC State Council who accused the Vietnamese of instituting a massive program to persecute and deport Chinese residents in Vietnam. The initial protest was buttressed with a carefully orchestrated propaganda campaign, using national and provincial radios, television, press, and newsreels to dramatize that Vietnam was brutally mistreating Overseas Chinese. On May 26, Peking unilaterally escalated the conflict by announcing that the Chinese Government had decided to send ships to Vietnam to "bring home the persecuted Chinese residents."⁸⁸

⁸⁵ See in particular, U.S. Congress, House, Report by the Subcommittee on Asia and Pacific Affairs to the Committee on International Relations, *A New Realism: Factfinding Mission to the People's Republic of China*, July 3-13, 1978. Washington, U.S. Government Printing Office, 1978.

⁸⁶ For instance, note Foreign Minister Huang Hua's trip to Zaire in June 1978 and the visit of a Chinese military delegation to the Congo in late June.

⁸⁷ See speech of Huang Hua before the U.N. Disarmament session in late May 1978, relayed by NCNA on May 29, 1978.

⁸⁸ For more information, see *Trends in Communist Media*, June 1, 1978.

Reflecting the implications of these moves for broader Sino-Vietnamese relations, the May 24 interview failed to note that Vietnam was a socialist country. In repeating an otherwise standard Chinese litany, the spokesman left out the word "socialist" in noting that "China and Vietnam are neighboring [socialist] countries linked by common mountains and rivers." At the same time, articles in the Hong Kong Communist press signaled Peking's fundamental concern with Vietnam's close relationship with the U.S.S.R., charging that Vietnam was a tool of Moscow and was seeking to dominate Indochina and Southeast Asia. Thus, several Hong Kong articles in the week after the May 24 statement portrayed Hanoi as carrying out Moscow's designs, referring to Vietnam as a "second Cuba." They warned that Hanoi might turn over naval facilities in Vietnam to the Soviet Union.

Although Vietnam announced grudging acceptance of Peking's plan to send ships to evacuate Vietnam's Chinese and called for negotiations over the problem, the polemics between China and Vietnam escalated during the second week in June. Peking charged that Vietnam was adopting anti-Chinese actions at the behest of the Soviet Union, and Hanoi responded by directly criticizing Peking for the first time as Kampuchea's patron. Peking began this round of polemics with a PRC Foreign Ministry statement of June 9 which repeated criticism of SRV policies toward Overseas Chinese, rejected Hanoi's request for negotiations, announced that the burden of caring for refugees from Vietnam necessitated a cut in PRC aid to Vietnam, and implied that Hanoi was acting in response to a foreign backer. On June 10, 1978, the *People's Daily* Commentator spelled out the charge that the Soviet Union was "the behind-the-scenes" provocateur and supporter of Vietnamese authorities in ostracizing Chinese residents and attacking China. The Foreign Ministry statement urged a change in Hanoi's policies without threatening any consequences. Nevertheless, by turning down the Vietnamese request for negotiations, failing to mention Hanoi's offer to accommodate the Chinese ships, and raising the Soviet connection, Peking appeared to have deliberately mapped out a collision course with Hanoi.⁸⁹

Added Chinese pressure against Vietnam came in a sharply worded *People's Daily* Commentator article of June 17 along with the announced closing of Vietnamese consulates in China the day before. Vietnam responded by refusing to allow Overseas Chinese to exit in Chinese ships under terms set by Peking. On June 28, 5 weeks after the start of the Chinese pressure, Hanoi announced that it had asked to join the Soviet bloc's economic organization, the Council for Mutual Economic Assistance (CMEA).⁹⁰

Peking subsequently took several steps against Vietnam. On July 3, the Chinese declared an end to all Chinese economic and technical assistance to Vietnam; on July 11, Peking closed its borders to the thousands of Overseas Chinese trying to flee across the land frontier with China; and, on July 12 Peking for the first time directly condemned Hanoi's policies toward Kampuchea. Vietnam rebuffed the Chinese pressure and escalated charges against China for allegedly threatening Vietnam along the Sino-Vietnamese frontier and through Chinese support for Khmer attacks against Vietnam.⁹¹

⁸⁹ Ibid. June 14, 1978.

⁹⁰ Ibid. June 28, 1978.

⁹¹ Ibid. July 6, 1978.

HANOI'S RESPONSE

Vietnam's policy in 1978 has been subject to differing interpretations—a reflection of the difficulty analysts have had in trying to understand the intricacies of Vietnamese decision-making. Currently available information and analysis suggests that Vietnam's policy toward China went through three distinct phases in 1978. Each phase was not only tied to Chinese actions, but related closely to developments affecting Vietnamese interests in Kampuchea and to Vietnamese relations with the Soviet Union; the phases were marked by a steady progression in the direction of Sino-Vietnamese confrontation and of Soviet-Vietnamese alignment.⁹²

In the first phase, which ended in late February, the Vietnamese still appeared to be cautious in assessing Chinese intentions. In particular, they seemed to have some hope that China might use its influence to restrain Pol Pot and bring about a settlement of the Cambodian-Vietnamese border conflict. (China, after all, was continuing to avoid publicly siding with Pol Pot against Vietnam.) It was clear in any event that Vietnam still saw little utility in directly confronting China over the Kampuchea issue. It may have hoped that heightened Vietnamese military pressure along the Kampuchea border, when combined with the fluid political situation inside Cambodia and a more-or-less even-handed public Chinese posture toward the conflict, might result in a settlement of the problem satisfactory to Hanoi. Of course, the Vietnamese at this juncture retained the option of substantially compromising their own position vis-a-vis Cambodia and accepting the Pol Pot regime; but such a change was probably seen as unlikely to have had much effect in changing the deep-set anti-Vietnamese attitude of the Khmer Rouge leaders in Phnom Penh or of advancing the objective of Vietnamese domination of Indochina.

From late February to mid-year, Vietnamese leaders appeared to judge that there was little hope of China helping to restrain Phnom Penh. In fact, Chinese supplies were reportedly entering Cambodia in even larger quantities.⁹³ But Vietnam still seemed to hope to deal with the Cambodia issue short of open confrontation with China. In particular, it may have planned to use an internal uprising by pro-Vietnamese forces within the Cambodian Communist Party—an uprising perhaps backed by military support from Hanoi along the Cambodian-Vietnamese border. If successful, this tactic would have helped neutralize the Cambodian problem for Hanoi and would establish a pro-SRV regime in Phnom Penh while China would have been faced with a *fait accompli* that would have been difficult to reverse.

By mid-year, however, aborted military uprisings in Cambodia had destroyed Cambodian military elements sympathetic to Hanoi; Vietnamese pressure along the Cambodian border had only served to steel Pol Pot's anti-Vietnamese intransigence—an intransigence fed by a continuing flow of Chinese supplies; and China was escalating pressure tactics which seemed designed to force an open break with Vietnam.

⁹² For more information relating to the sequence, see the article by Gareth Porter, *Vietnamese Policy and the Indochina Crisis*, in Elliott, David, ed. *The Third Indochina Conflict*. For another view of Vietnamese policy, see articles by Nayan Chanda in the *Far Eastern Economic Review* during 1978.

⁹³ *Far Eastern Economic Review*, March 17, 1978.

At this critical juncture, Hanoi seemed to have few options. It could have acquiesced in the consolidation of an anti-Vietnamese regime in Cambodia and bowed to Chinese pressure by fundamentally altering its foreign policy. But such a course would have meant shelving indefinitely Vietnam's goal of dominance in Indochina, and accepting China—not Vietnam—as the dominant political actor on mainland Southeast Asia in the postwar period. Such changes would have been extremely difficult to accept. Most notably, acknowledging this kind of Chinese role after such a long struggle to throw off Western dominance almost certainly would have represented a bitter pill to swallow; it also would likely have resulted in a serious leadership dispute in Hanoi.

Such a dispute would have been all the more likely because Hanoi still had another option more acceptable to its view of Vietnam's rightful place in Indochina and Southeast Asia. The Soviet Union remained available to play a major role. Moscow's generous support and active encouragement of closer Soviet-Vietnamese relations provided Hanoi with a way to deal with Pol Pot and with China. By aligning more closely with the U.S.S.R., Vietnam would obtain supplies and international political support it needed to invade and occupy Cambodia, set up a puppet government there, and directly confront China over the issue.

Crucial Vietnamese decisions on these questions appear to have been made in the midst of growing Chinese pressure on Hanoi in mid-1978. Vietnamese leaders had to consider a response to the crisis with China. They also had to take account of new and disturbing developments in Kampuchea: a further escalation of the border war by Phnom Penh; accelerated deliveries of new weapons by China; and the repression by Pol Pot of military units in eastern Kampuchea which Hanoi may have counted on to help undermine Pol Pot from within. The Vietnamese leadership faced the prospect that Pol Pot's group would consolidate its power over the entire country while continuing to carry on an aggressive border war against Vietnam with Chinese support. Only the use of Vietnamese troops seemed likely to prevent a situation that Hanoi perceived as an unacceptable threat to Vietnamese security and objectives.⁹⁴

The decisions reached during mid-1978 constituted an historic turning point for the Vietnamese. They profoundly affected Vietnamese relations with all the major powers and with their Southeast Asian neighbors, as well as the organization of the domestic economy. The decisions and later actions were:

1. To identify China as the main and immediate enemy of the Vietnamese revolution, reflecting the view that U.S. power had receded from the mainland of Asia and that China was now attempting the "fill the vacuum" left by the U.S. withdrawal.
2. To plan for a military offensive aimed at overthrowing the Pol Pot regime and destroying its army.
3. To further expand military power, revamp the existing 5-year plan, and reorient the economy to the new security requirements of the country, reducing the army's economic reconstruction role and relocating such construction projects to security zones.

⁹⁴ See footnote 92 as well as discussion in Vietnam-Kampuchea and Vietnam political sections of this report.

4. To establish closer economic and security ties with the Soviet Union, reversing previous policy by joining the Soviet-sponsored economic bloc, CMEA, and beginning to negotiate with Moscow on a Treaty of Friendship.

5. To step up the effort already begun earlier in the spring to normalize relations with the United States, presumably in order to exploit contradictions between United States and Chinese interests in East Asia and to attempt to balance closer ties with the Soviet Union.

6. To make a new effort to seek a diplomatic accommodation with ASEAN which could serve as the basis for more friendly relations with the non-Communist states of the region and counter PRC efforts to influence the association.

The decisions on diplomatic initiatives toward the Soviet Union, the United States and ASEAN, and propaganda moves anticipating the eventual overthrow of the Pol Pot regime were implemented immediately. On June 20, Hanoi broadcast excerpts of a *Nhan Dan* article in Khmer and English calling the Pol Pot regime "the most ferocious murderer in the history of mankind" and calling on the world to "stop this self-genocide."⁹⁵ It was the beginning of a series of articles condemning genocide in Kampuchea and calling on Kampuchean troops to turn their guns on the regime in Phnom Penh. On June 28, the SRV was accepted as a member of CMEA during its meeting in Bucharest.⁹⁶ On July 5, Deputy Foreign Minister Phan Hien said Vietnam was ready to normalize relations with the United States without the precondition of U.S. reconstruction assistance.⁹⁷ On July 6, he declared that Vietnam now regarded ASEAN as an organization for economic cooperation and was willing to begin talks with it, and in late July, he indicated that Vietnam wanted to negotiate a common formula with ASEAN for a "peace zone" in Southeast Asia.⁹⁸

The new line toward China and the reorientation of the economy toward defense were ratified by a Central Committee plenum in mid-July. The content of the plenum apparently focused on what Vietnamese media at the time called the "new situation," a phrase used in the past to characterize major turning points such as the start of the U.S. bombing of North Vietnam.⁹⁹ The resolution passed by the Central Committee Plenum, as Vo Nguyen Giap later described it, "clearly pointed to the new and very dangerous enemy of the Vietnamese revolution and its hostile plots against our country," and set forth the tasks of quickly increasing the economic and national defense potentials and comprehensively preparing the country to readily defeat the Chinese "aggressors."¹⁰⁰

During the next several months, the SRV was preparing for war on two fronts: a lightning attack in Kampuchea which would destroy the Pol Pot regime and its army, and a war of resistance against a possible Chinese invasion. While the plans for Kampuchea proceeded in secret, the preparation for a Chinese invasion was more open and public. The party's theoretical journal set the atmosphere for the new phase of Vietnam's relations with China, referring in a Septem-

⁹⁵ Vietnam News Agency (VNA), June 20, 1978.

⁹⁶ Washington Post, June 29, 1978.

⁹⁷ Mainichi Shinbun, July 6, 1978.

⁹⁸ Bangkok Post, July 7, 1978. Nation Review (Bangkok), July 26, 1978.

⁹⁹ Nhan Dan, July 30, 1978.

¹⁰⁰ Hanoi Domestic Service, May 29, 1979. Foreign Broadcast Information Service, Asia and Pacific Daily Report Supplement, June 15, 1979.

ber 1978 article to the "long-range plot to subvert and annex our country by big-nation expansionism."¹⁰¹

Responding to the increased danger of a Chinese attack on Vietnam, the Vietnamese sought a security commitment from the Soviet Union to deter a Chinese attack and increase Vietnamese capabilities for repelling it should it occur. The "new situation" gave Moscow a stronger bargaining position than before to try to wrest additional military cooperation from the Vietnamese.

The Vietnamese were almost certainly aware that a Friendship Treaty with the Soviets would be interpreted as the beginning of an alliance with the Soviet Union against China, and they may have wished to soften the impact of such a move—and to counterbalance the added Soviet influence resulting from it—by improving relations with the United States and with the non-Communist Southeast Asian countries. They probably calculated that the Friendship Treaty would not appear so much a step into the Soviet orbit if it followed normalization of relations with the United States and the offer of treaties of non-aggression and friendship with the ASEAN states. SRV moves toward ASEAN and the United States also could have helped soften the reaction to Hanoi's planned action against Kampuchea. During visits to Bangkok, Manila and Jakarta, Premier Pham Van Dong proposed non-aggression treaties in which the Vietnamese would pledge for the first time not to support local insurgent groups. The SRV also pursued a new relationship with the United States when Nguyen Co Thach met with the U.S. Assistant Secretary of State Richard Holbrooke at the United Nations in late September to discuss normalization of relations.

SUBSEQUENT DEVELOPMENTS

The signing of the Soviet-Vietnam Friendship Treaty and Hanoi's invasion of Kampuchea set the stage for China's border war against Vietnam in February-March 1979 and a series of developments in Indochina and in relations among Vietnam, China and the U.S.S.R. that served to solidify Hanoi's opposition to China and its alignment with the U.S.S.R. By resorting to heavy military force against Vietnam, but failing to budge the Vietnamese from their anti-China policies, China effectively froze Vietnam's perception of the PRC as the number one enemy and established the foundation for a protracted bilateral confrontation.

Chinese armies seriously damaged Vietnamese border areas, diverted Vietnamese forces from Cambodia to northern Vietnam,¹⁰² further complicated Vietnam's economic planning, and demonstrated China's willingness to use force if necessary to halt Vietnamese expansion in Southeast Asia. But, Vietnam managed to return tit-for-tat and received ample support from its Soviet ally to offset Chinese pressure. Most notably, the Chinese assault resulted in a reported 20,000 Chinese casualties and a large increase in Chinese defense expenses at a time when PRC leaders were trying to cut defense spending in order to assist the development of China's civilian economy. The Vietnamese

¹⁰¹ Le Trong Tan, *The Two Main Objectives of the Local Military Task*, Tao Chi Cong San, No. 9 (September 1978), FBIS, Asia-Pacific Daily Report, October 18, 1978.

¹⁰² As of early 1980, Vietnam was said to have over 200,000 troops in Cambodia and around 50,000 troops in Laos. See Institute for Strategic Studies, *Strategic Survey*, 1979.

also managed to all but end the previously substantial official Chinese influence in Laos and to contain the Chinese supported Pol Pot guerrillas in Kampuchea. Meanwhile, the exodus of over a quarter million refugees from Vietnam to China severely strained Chinese resources and further exacerbated PRC economic difficulties.¹⁰³

Following this military assault, Peking adopted a long term approach designed to sustain heavy international political and economic pressure against Vietnam while maintaining propaganda and material support for Pol Pot and other guerrilla forces in Kampuchea, propaganda and some reported material support for dissidents in Laos and Vietnam, and strong Chinese military pressure along the Sino-Vietnamese border. Peking portrayed resistance to Vietnam in Southeast Asia as a focal point of the so-called world anti-hegemony front against the U.S.S.R. and its proxies; it saw the United States, the ASEAN countries and Japan as playing particularly important roles in helping China sustain the front in Southeast Asia by avoiding political and economic interchange with Vietnam and its Phnom Penh puppet regime and by sharply criticizing Vietnamese policy in Kampuchea and ties with the U.S.S.R. China and Vietnam engaged in negotiations from time to time over their bilateral problems, but the talks proved to be largely propaganda exercises with each side reaffirming vastly differing positions on a wide variety of sensitive issues.

Faced with the China-led front against it, Vietnam dug deeper into its own resources while relying ever more closely on the U.S.S.R. Hanoi appeared to judge that China would be its main strategic problem for the foreseeable future. China was now seen as a fundamental threat to Vietnam's security and integrity as a nation and to Vietnamese ambitions in Southeast Asia. While accommodation with China remained an option open to the Vietnamese leaders, it clearly represented an even more bitter pill for them than it had in 1978 before the border conflict. Thus, while it was possible that the PRC would be lenient once Hanoi acknowledged the "error" of its ways, the Chinese seemed almost certain to demand at a minimum not only a settlement in Kampuchea which would preclude Vietnamese control but also a major cut back in Vietnamese-Soviet relations and in Vietnam's control of Laos.

Given the alternative, Hanoi continued down the road of confrontation with China—a policy made possible by continued Soviet support estimated at a rate of over \$3 million a day. Vietnam became so dependent on the U.S.S.R. that it could not possibly have fed its people, confronted China, or conducted war in Kampuchea without Soviet aid. By mid 1980, some 20 percent (possibly as much as 30 percent) of rice eaten in Vietnam was supplied by the U.S.S.R. And most war materiel had to be supplied to Vietnam from the outside, in the main by the U.S.S.R.¹⁰⁴

FUTURE POLICIES TOWARD CHINA AND THE SOVIET UNION

It seems hard to underestimate the importance of Vietnam's view of the strategic threat posed by China as a governing factor in Vietnam's

¹⁰³ See article on Sino-Vietnamese relations in Elliott, David, ed. *The Third Indochina War*.

¹⁰⁴ See article by Douglas Pike in *Asian Survey*, January 1981.

relations with the Sino-Soviet powers and in its foreign policy in general. While there almost certainly are some differing views in Hanoi on how best to handle China, it seems evident that experience over the past few years has solidified the Vietnamese determination that China represents, and will continue to represent, the most important and fundamental threat to Vietnam's security and foreign policy interests. The dispute between China and Vietnam has become so strong and deep-rooted that it is currently difficult to foresee that a compromise settlement over one or two issues between them—such as a settlement in Kampuchea¹⁰⁵—would substantially reduce the mutual animosity and tension. Thus, even after such a settlement, China could be expected to pressure Vietnam to curb its ties with the U.S.S.R., reduce its influence in Laos and adopt a more moderate posture in Southeast Asia—one that would guarantee Thai security vis-a-vis Vietnam. In addition, even though the two sides may be able to avoid a repetition of their border war of 1979, the longer their bilateral dispute persists, the more difficult it will be to ease their mutual animosity and thereby moderate the current confrontation in Southeast Asia.

An omen of a further deterioration of relations was seen in authoritative Chinese comment marking SRV National Day in September 1980. The Chinese took the occasion to release their most forthright call for the overthrow of the "Le Duan clique." Coincidentally, Peking began receiving former SRV officials who have been calling openly for the establishment of a new administration in Hanoi.¹⁰⁶ Meanwhile, Vietnamese pressure on Thailand prompted China repeatedly to warn Vietnam of China's strong support for Bangkok against Vietnamese "aggression." Periodic speculation that Hanoi might resort to military action in Thailand as part of an effort to cut off supply routes, isolate anti-Vietnamese Khmer along the Thai-Kampuchea border and intimidate Bangkok suggests that a new Chinese-Vietnamese military clash cannot be ruled out. Military conflict could also arise from Sino-Vietnamese disputes over border territories and offshore oil rights.

In this context, Vietnam seems to favor its current policies in dealing with China. Of course, a major change in the Vietnamese leadership caused by purges, death or other factors could bring to power new leaders more willing to seek compromise with China. These leaders might arise as a result of pressures caused by the persisting dire economic conditions in Vietnam. If Peking sensed that the new Hanoi leaders were sincere in seeking an accommodation, the Chinese might be willing to moderate their terms to achieve a *modus vivendi*.

Similarly unforeseen leadership adjustments in China could prompt a reduction in Peking's pressure on Vietnam. But, such changes would have to involve a fundamental reorientation of China's foreign policy strategy that even future Chinese leaders might find difficult to carry

¹⁰⁵ It is worth noting that China in late 1980 began to alter its position on Kampuchea to a certain degree. Chinese leaders were seen as less insistent that the government of Pol Pot be returned to power in Phnom Penh, and they began in 1981 to provide some military supplies to other anti-Vietnamese forces in Cambodia. They said they would issue a pledge on noninterference in Khmer internal affairs once Vietnamese forces had withdrawn and a new Khmer administration had been established under U.N. auspices. This alteration may have been designed to accommodate ASEAN views on the issue. In any event, the Chinese showed no change in what they saw as the fundamental condition for a Kampuchea settlement—the withdrawal of Vietnamese troops. See, in this regard, Premier Zhao Ziyang's remarks during the visit of the Thai prime minister to China in late October 1980.

¹⁰⁶ NCNA, September 2, 1980.

out. In particular, China would either have to alter fundamentally its anti-hegemony front strategy directed at Soviet and Soviet proxy forces, or it would somehow have to explain why Vietnam—now portrayed as the “Cuba of Asia”—was no longer to be considered a Soviet proxy and was therefore to be freed from the pressure of the anti-hegemony front.

A major shift in relations among the world powers—such as a revival of U.S.-Soviet détente, a breakthrough in the Sino-Soviet dispute or a major retrogression in U.S.-China relations could lead to reactive shifts in Chinese and Vietnamese foreign policies that might serve to increase prospects for Sino-Vietnamese accommodation. But even these kinds of changes provide no assurance that they would significantly affect the Sino-Vietnamese antipathy. Thus, for example, in the spring of 1979 Chinese leaders made their most serious overture to Soviet leaders in over a decade, calling for unconditional talks on the improvement of Sino-Soviet relations. Many analysts saw the Chinese moves as perhaps heralding a significant easing in Sino-Soviet tensions, but they also saw no corresponding evidence of hope for any similarly moderate Chinese approach toward Moscow's ally in Vietnam.

Because of its confrontation with China and poor economic situation, Vietnam will be required to rely on the U.S.S.R. for the foreseeable future. Even if Vietnam eventually manages to improve relations with the West, Japan and ASEAN, and thereby eases some of its economic problems, it would still have to rely on the U.S.S.R. as a countervailing military force to China. Thus, Soviet-Vietnamese relations are likely to remain close, and may become even closer, so long as the Sino-Vietnamese dispute persists.

It remains unclear what Soviet planners wish to do with their growing leverage over Hanoi. Thus far, they have not obtained actual bases for air and naval forces, although they are using Vietnamese facilities extensively. Moscow no doubt would like to tie the Vietnamese even closer to the Soviet orbit, but is probably aware that using coercion to achieve these ends could result in only short term gains. The U.S.S.R. must certainly recognize that a close, long term relationship must rely on voluntary action by the Vietnamese pursuing what they perceive as their own best interests.

Moscow may prove to be maladroit in managing ties with Vietnam. It may tire of the economic and political costs of its close association with the Vietnamese. Thus, for example, underlying tensions caused by a combination of the large Soviet presence in Indochina and Vietnam's avowed doctrine of independence could come to the fore if officials of either side fail to manage them effectively. Moreover, the Chinese-led coalition against the U.S.S.R. and Vietnam in Southeast Asia could not only serve to increase the amount of aid the Soviet Union must provide to its ally but could effectively keep the U.S.S.R. isolated everywhere in the region except for Indochina. Under such circumstances, Moscow may see its interests better served by reducing tensions and opening communication with other countries in that area. This would probably involve a slackening in Soviet backing for Vietnam—an event that would require the Vietnamese to reassess their current anti-China policy and perhaps come to terms with the PRC. On the other hand, the U.S.S.R. might conclude that the best way to

extend its influence lies in encouragement and support for Vietnamese aggression or subversion against the ASEAN states.

At this time, however, there is only circumstantial evidence that Moscow is handling its relations with Hanoi poorly or that it is tiring of its support. And it is unclear whether the Chinese anti-hegemony front will continue to keep Moscow isolated from the rest of the region as a result of its support for Vietnam. Indeed, reported fissures have been seen from time to time in the China-fostered front. Indonesia and Malaysia have sometimes been portrayed as concerned about the growth of China's influence in the region, while some leaders in the United States, Japan and other states have reported reservations about the need to maintain support for Pol Pot and the economic isolation of Vietnam.

In short, it seems fair to say that time does not seem to be on the side of those favoring an easing of the Sino-Soviet-Vietnamese impasse in Southeast Asia. As the dispute between China and Vietnam persists, it will become even more intractable and more likely to spill over to affect the attitudes of the next generation of leaders in both countries. This suggests that Indochina will remain a likely flash-point of regional conflict for some time to come. In this context, Vietnam can be expected to sustain its dependence on the Soviet Union—a trend which Moscow can be expected to welcome and exploit, notably by increasing the Soviet military presence in Indochina.

Centrifugal forces stemming from Vietnam's traditional doctrine of independence or Moscow's broader interests in foreign affairs could change the relationship significantly at some future date. At present, however, Vietnam and the U.S.S.R. continue to find enough common ground in their mutual opposition to China to sustain a close relationship.

VIETNAMESE POLICIES TOWARD ASEAN

VIETNAM-ASEAN RELATIONS (1976-1981)

Three basic factors appear to have influenced Vietnam's policies toward the five states of the Association of Southeast Asian Nations: (1) ideological considerations; (2) the question of Kampuchea; and (3) the ASEAN states' relationships with the major powers. Before Vietnam began active preparations in 1978 to invade Kampuchea, ideological attitudes weighed heavily with Hanoi. By the latter part of 1978, Vietnam's goal of taking over Kampuchea dominated the Vietnamese-ASEAN relationship. As tension between Vietnam and China escalated in 1978, the ASEAN government's policies toward the PRC emerged as a key element in SRV perceptions.

Thus, Vietnam's policy objectives toward the ASEAN countries appear to have changed since 1976 in terms of priority. Hanoi's immediate goal is to gain ASEAN's acceptance of Vietnamese domination of Kampuchea. This would include ASEAN's recognition of the puppet Heng Samrin government and termination of ASEAN's backing of the Khmer Rouge and other Khmer resistance forces. A second objective is to induce the ASEAN countries to distance themselves from Chinese policies in Southeast Asia. A similar goal relates to United States-ASEAN relations but with less immediacy, since Vietnam has designated China as the most direct threat to its interests in the region. With regard to ASEAN itself, the SRV has sought to weaken the unity of the organization or to influence changes in ASEAN's political-ideological orientation. Maneuvers to divide Thailand from the other four states have received special priority. Finally, Vietnam has tried to promote Communist movements in Thailand and possibly Malaysia, but the pro-Chinese views of the Communist movements in these countries has made this a difficult undertaking.

North Vietnam emerged from its victory over South Vietnam in 1975 with an attitude of revolutionary fervor toward non-Communist Southeast Asia coupled with hostility toward the allegedly pro-U.S. governments of the ASEAN countries. Hanoi's propaganda apparatus emphasized early in 1976 that the Communist victories in Indochina had given impetus to Communist movements in the ASEAN states and that Vietnam would fully support them. Vietnam issued demands that the ASEAN governments oust American military forces from the region. In response to the ASEAN summit conference at Bali in May 1976, it denounced ASEAN as "a Washington-backed scheme of intervention and aggression against Communist governments in South East Asia."

These themes continued, but Hanoi also established discreet contracts with several ASEAN governments. Vietnam offered in June

1976 to establish bilateral relations with the ASEAN governments on the basis of four principles: non-interference in internal affairs, the settlement of disputes by negotiations, cooperation in the development of mutual prosperity, and prohibition of the use of one's territory as a base for aggression by a third power. The SRV reached an accord with the Philippines Government to establish diplomatic relations; the Vietnamese Government announced afterwards that it would negotiate with Thailand on the question of relations.

Hanoi sought to feel out the ASEAN governments with regard to possible anti-U.S. policy shifts. It had noted approvingly the impending withdrawal of U.S. military personnel from Thailand and the Philippine Government's call for negotiations with the United States over the status of American-operated bases. Vietnam pressed the Philippines Government for a pledge that U.S. base rights would be terminated.¹⁰⁷ It had to settle for a promise by Manila that U.S. bases would not be used for aggressive purposes in the region.

The SRV soon demonstrated that it had not changed its basic attitude about ASEAN. At the annual conference of non-aligned nations in August 1976, it challenged the non-aligned standing of Indonesia, Malaysia, and Singapore. A Malaysian draft proposal called on the conference to endorse the 1971 ASEAN proposal for a Southeast Asian Zone of Peace, Freedom, and Neutrality (ZOPFAN). An amendment offered by Vietnam's surrogate, Laos, proposed the elimination of any reference to ASEAN and that the conference endorse "the legitimate struggle of the people" of Southeast Asia against neo-colonialism to enable the region's states to become "truly independent, pacific, and neutral." Vietnam and other pro-Soviet states backed the amendment, and their stand killed the Malaysian resolution. Vietnamese delegates asserted that ASEAN nations were "not fully independent" since they had economic relations with the capitalist countries. No Dien, assistant to Vietnam's foreign minister, stated that "we decidedly do not tolerate any scheme to revive ASEAN's non-too-bright past and to sell this organization's outmoded and bankrupt policy."¹⁰⁸

In short, Vietnam established the principle of dealing with ASEAN governments individually but rejecting a dialogue with the organization. Until early 1978, the Hanoi regime continued to criticize ASEAN as a reactionary U.S.-backed organization. It turned down an ASEAN invitation to send an observer to the August 1977 ASEAN summit meeting. Foreign Minister Nguyen Duy Trinh asserted in January 1978 that ASEAN's relationship with the United States and the continued presence of U.S. military bases in the region necessitated "new forms" and "a new basis" for regional cooperation.¹⁰⁹

A coup of October 1976 in Thailand overthrew the parliamentary government and installed a military-backed regime. Vietnam responded with a more hostile attitude toward Thailand in contrast to its approach toward the other four states. The Thai Government became a target of SRV propaganda attacks for its "fascist" character

¹⁰⁷ New York Times, July 14, 1976.

¹⁰⁸ For accounts of Vietnam's assault on ASEAN at the non-aligned conference, see: Battle over ASEAN's Peace Zone, *Far Eastern Economic Review*, Sept. 3, 1976, pp. 13-14. Chandra, Nayan. ASEAN: Hanoi Says It Again, *Far Eastern Economic Review*, Sept. 10, 1976, pp. 10-12.

¹⁰⁹ *Asian Wall Street Journal*, Jan. 9, 1978.

and its counterinsurgency programs aimed at eradicating Communist guerrillas. Simultaneously, bilateral relations with Malaysia and the Philippines improved, as Hanoi signed several economic agreements with those governments.

A turning point in Vietnam's policy came during the last quarter of 1977 and the first half of 1978, as Sino-Vietnamese relations deteriorated and as Hanoi prepared for decisive military action against Kampuchea. Hanoi perceived Peking's efforts to woo the ASEAN governments as a threat to its strategy. Moreover, Vietnam failed to gain a paramount influence in the Thai Communist Party (CPT) insurgency. According to Thai Communist sources, Vietnam tried to divide rank and file cadre in northeast Thailand and newly recruited students and intellectuals from the pro-PRC Thai Communist leadership by offering weapons directly to the northeast region committee of the CPT. The offer was rejected.¹¹⁰

Consequently, Vietnam's priorities shifted. The promotion of Communist revolution became a less realizable objective. The need to neutralize ASEAN's reaction to Vietnam's Kampuchea policy grew in importance. This, in turn, required efforts to counter China's friendly approach toward ASEAN.

The new line emerged by mid-1978. SRV propaganda criticism of ASEAN ceased, and the Vietnamese media directed a new theme at the five countries—the growing “threat” of China to Southeast Asia. Hanoi's propaganda emphasized the danger of PRC meddling in the overseas Chinese communities of the region.

Vietnam displayed a new interest in the ZOPFAN formula. It offered its own proposal in June 1978 for a zone of “peace, independence, and neutrality.” Foreign Minister Phan Hien visited Malaysia in late July and discussed ZOPFAN at length with Malaysian officials. He asserted publicly that Vietnam was willing to negotiate with ASEAN as an organization.¹¹¹

Phan Hien's trip was a prelude to the tour of all the ASEAN capitals by Prime Minister Pham Van Dong in September. Dong stressed Hanoi's desire for good relations through such actions as not raising the issue of U.S. bases while in Manila and expressing “understanding” for Indonesia's annexation of East Timor during his stopover in Jakarta. He reportedly carried two kinds of proposals: (1) treaties of friendship and cooperation with each ASEAN country, to include clauses pledging non-aggression and non-subversion; and (2) a proposal for regional cooperation on the basis of ZOPFAN.¹¹² Dong signed a joint communique with Thai Prime Minister Kriangsak pledging each government to refrain from carrying out “direct or indirect” subversion against the other party and refrain from the use of force. Dong's emphasis on Hanoi's promise of non-subversion undoubtedly was related to Laos' move against the Thai Communist Party. At the time of his trip, Laos began to restrict CPT activities in its territory.¹¹³

¹¹⁰ McBeth, John. Hazards Along the Neutral Path. *Far Eastern Economic Review*, Sept. 19, 1980, p. 44; *Asian Wall Street Journal*, Nov. 17, 1978.

¹¹¹ Das, K. Slowly Settling Differences. *Far Eastern Economic Review*, Aug. 4, 1978, pp. 9–11.

¹¹² For accounts of Dong's trip, see *Asian Wall Street Journal*, Sept. 21, Sept. 26, and Oct. 19, 1978; Tasker, Rodney. Rivals for ASEAN's Hand. *Far Eastern Economic Review*, Sept. 15, 1978, pp. 19–23; Tasker, Rodney. A Courteous Rebuff for Dong's Diplomacy. *Far Eastern Economic Review*, Sept. 29, 1978, pp. 8–9.

¹¹³ *Asian Wall Street Journal*, Sept. 13, 1979; McBeth, Hazards Along the Neutral Path, p. 14.

The ASEAN countries treated Dong courteously but rejected the proposals. ASEAN was suspicious of Vietnam's overtures in the wake of deteriorating SRV relations with China and Kampuchea and the thousands of refugees fleeing Vietnam and landing in the ASEAN countries. It also was disturbed by the parallelism between Hanoi's wooing and the change in the Soviet attitude from criticism to praise of ASEAN.

This suspicion increased after Hanoi and Moscow signed the treaty of friendship and cooperation treaty in November 1978, and it multiplied when Vietnam invaded Kampuchea on December 25, 1978, and overran that country in 1 month. The perception of an aggressive Vietnam was revived, and ASEAN expressed alarm over the security of Thailand. An ASEAN policy emerged, encompassing: (1) a demand that Vietnam withdraw all its troops from Kampuchea; (2) a refusal to recognize the Heng Samrin regime; and (3) Thailand's tacit support for the Khmer Rouge and other resistance forces by allowing them to use Thai territory, reportedly permitting Chinese aid to the Khmer Rouge through Thai territory, and fostering the international refugee aid program along the Thai-Kampuchea border.

Vietnam continued its overtures to ASEAN during the first half of 1979. Vietnamese strategy attempted to remove the Kampuchea question from the SRV-ASEAN relationship, undoubtedly on the assumption that success in this would, in time, induce the ASEAN governments to accept Hanoi's domination over its neighbor. Vietnam firmed up its proposal of negotiating with ASEAN as a unit. It renewed its offer of friendship and cooperation treaties, emphasizing that the invasion of Kampuchea was a "special case." It voiced a willingness to cooperate on the refugee issue. At a U.N.-sponsored conference on the refugees situation in July 1979, Vietnam promised to stop "illegal departures." In fact, the refugee outflow soon declined appreciably.¹¹⁴

On the other hand, Vietnam failed to influence ASEAN to soften its stand on Kampuchea. As this became apparent, the SRV altered its approach. It again singled out Thailand for media criticism, charging that Thailand was "colluding" with China to support the Khmer Rouge.¹¹⁵ Vietnamese forces in Cambodia built up their strength in the regions closest to the Thai border. In November 1979, the U.N. General Assembly passed overwhelmingly ASEAN-sponsored resolutions which called for the withdrawal of all foreign forces from Kampuchea and requested that the U.N. Secretary General work for the convening of an international conference on the issue. ASEAN also persuaded the world body to allow the Khmer Rouge regime to keep Kampuchea's seat. Hanoi sharply rejected the resolutions and announced that visits to Hanoi by Thai Prime Minister Kriangsak and Malaysian Foreign Minister Rithauddeen were no longer welcome. It later agreed to Rithauddeen's visit but refused to recognize him as representing ASEAN. SRV officials for the first time hinted that Vietnamese forces might attack across the Thai border.¹¹⁶

¹¹⁴ U.S. Library of Congress. Congressional Research Service. *Indochinese Refugee Exodus: Causes, Impact, Prospects*. Issue Brief No. IB79079, by Marjorie Niehaus, October 1980, pp. 2-6.

¹¹⁵ Tasker, Rodney. A Test for Thai Neutrality. *Far Eastern Economic Review*, March 23, 1979, pp. 13-14.

¹¹⁶ Chanda, Nayan. Hanoi Ponders Its Strategy. *Far Eastern Economic Review*, December 7, 1979, pp. 21-23.

The Vietnamese-Thai confrontation dominated Vietnam's relations with the ASEAN states in 1980. Vietnam sought to isolate Thailand from its ASEAN partners and the international community while simultaneously escalating its military pressure along the Kampuchea-Thai border. Hanoi focused on emerging differences between Thailand, on one hand, and Indonesia and Malaysia, on the other, over policy toward Kampuchea; and it sought to exploit Malaysian and Indonesian distrust of China.

The differences came into view in April when Prime Minister Hussein Onn and President Suharto enunciated the "Kuantan principle." It called for a Vietnam free from Soviet influence but independent of China; and the two governments also offered concessions on Kampuchea, including acceptance of a Heng Samrin-dominated government if it were "broader-based," termination of ASEAN support of the Khmer Rouge government of Democratic Kampuchea, and a position calling for only a partial Vietnamese troop withdrawal, especially from the Thai border.¹¹⁷

Statement of the Kuantan principle produced a visible diplomatic struggle between Thailand and Vietnam, with Bangkok seeking to seal the apparent crack in ASEAN unity and Hanoi attempting to exploit it. In May, both Vietnamese Foreign Minister Nguyen Co Thach and Thai Prime Minister Prem Tinsulanond visited Jakarta and Kuala Lumpur. Thach offered assurances that Vietnam would not attack Thailand, and he proposed that Indonesian and Malaysian teams could join Laos in observing elections in Kampuchea and the situation along the Thai border. He stated that the Vietnamese troop presence in Kampuchea would rise and fall according to the intensity of the threat from China. Thach suggested cooperation between the ASEAN and Indochina Governments (including the Heng Samrin regime) including guarantees by the Indochina states of Thailand's integrity.¹¹⁸

Thach rebutted the Indonesians and Malaysian on two points. He made clear that Vietnam would not permit a broadening of the Phnom Penh government, and he rejected the Kuantan principle because it did not call for an end to the U.S. presence in Southeast Asia.¹¹⁹

Thach's effort to widen the crack in ASEAN unity failed. Thai diplomacy, coupled with Thach's rejection of the principles of Vietnamese troop withdrawal and a restructuring of the Phnom Penh government, convinced the governments in Kuala Lumpur and Jakarta not to push the Kuantan idea to the point of endangering a break with Bangkok.

Vietnam's resort to military measures soon reinforced the Indonesian and Malaysian attitude. On June 23, 1980, a force of 200 to 300 Vietnamese crossed the Kampuchea-Thai border north of the town of Aranyprathet and occupied two Thai villages and two Khmer refugee camps. After more than 24 hours of fighting, the Vietnamese withdraw back across the frontier.

There is little question that the Vietnamese action was premeditated. Captured Vietnamese soldiers disclosed that they had orders to ad-

¹¹⁷ Wanandi, Jusuf. An Indonesian View. *Far Eastern Economic Review*, March 28, 1980, p. 16; Das, K. The Kuantan Principle. *Far Eastern Economic Review*, April 4, 1980, pp. 12-13.

¹¹⁸ Chanda, Nayan. The Making of a Bloc. *Far Eastern Economic Review*, May 30, 1980, pp. 17-19.

¹¹⁹ *Ibid.* SRV media in 1979 had renewed criticism of ASEAN for supporting a U.S. military presence in Southeast Asia.

vance 2 kilometers into Thailand and hold positions for 5 days. Thai language interpreters accompanied Vietnamese troops that occupied the Thai villages.¹²⁰ There were several possible motives for the attack. Hanoi may have intended to block a Thai-initiated refugee return program, test the response of the Thai armed forces, and pressure the Thai Government into changing its policies toward Kampuchea to a position more amenable to Vietnamese objectives. The Vietnamese have continued to place sizeable forces along the Thai border, and Hanoi officials have warned that Vietnam retains the option of cross-border operations.

Vietnamese diplomacy continued to concentrate on Thailand in the months after the attack. The foreign ministers of Vietnam, Laos, and the Heng Samrin government issued a proposal which called for a demilitarized zone on both sides of the Thai-Kampuchean border, negotiations between the Thai and Heng Samrin governments, Thai action to disarm Khmer resistance forces, relocation of refugee camps in Thailand away from the border, the placing of all international aid to refugees under the auspices of the Heng Samrin government, and non-aggression treaties between the Indochinese states and Thailand.

Vietnam emphasized its willingness to negotiate with ASEAN, but mainly on issues outside the Kampuchean question and not on the status of the Heng Samrin regime. It also favored a formula for negotiations that would confer status to the Heng Samrin regime and minimize Chinese participation. Foreign Minister Thach proposed at the United Nations in October 1980 that Vietnam and the ASEAN states negotiate on the basis of the ZOPFAN, the Kuantan principle (although Thach again complained that it did not call for an end to the U.S. presence), and the Indochina Foreign Minister's proposal. SRV officials have stated that Vietnam would withdraw some troops from Kampuchea if Thailand cut off aid to Khmer resistance forces but that a total withdrawal depended on an end to the Chinese "threat." Vietnam proposed early in 1981 that the Indochina Governments (including Heng Samrin) and the ASEAN governments hold a conference, but it has rejected ASEAN's proposal for an international conference on Kampuchea. Vietnam did not attend the U.N.-sponsored conference on Kampuchea held in July 1981, and it stated that it would not adhere to the proposals agreed to at the conference for a settlement of the Kampuchean question.

Vietnam continued to maneuver with regard to the Thai Communist insurgency. In January 1979, the Lao Communist Party ordered CPT guerrillas to leave Laos. This fit in with Hanoi's strategy of wooing ASEAN with offers of non-aggression and non-subversion guarantees. Laos' action also hurt CPT elements that had criticized the Vietnamese invasion of Kampuchea. Vietnam, however, had not given up on promoting a pro-SRV Thai Communist movement. Within months after Laos' ouster order, Vietnamese and Lao party cadre reportedly assisted anti-Maoist Thai Communists and leftists to organize in Laos a "Thai Isarn Party" or "Pak Mai" with the intention of subverting Thailand's 16 northeastern provinces. The Thai Supreme Command

¹²⁰ Radio Hanoi, August 15, 1980. Statement by Minister of External Information Phan Hien.

has asserted several times since September 1979 that the new party has dispatched agents into the northeast.¹²¹

VIETNAM'S FUTURE POLICIES TOWARD ASEAN

Vietnam's future policies toward ASEAN focuses on the question of whether Vietnam will adopt a policy of genuine coexistence with the ASEAN states or whether it will attempt to force political change in these countries through a combination of confrontation diplomacy, military pressure on Thailand and perhaps the Philippines in the South China Sea, and subversion of Thailand. The previous analysis has pointed out several tenets of SRV policy since 1975 which have been fairly constant and which, if continued, would undoubtedly result in the latter scenario. These tenets are criticism of the social and economic systems of the ASEAN countries including ASEAN's ties with "international capitalism;"¹²² the trend toward hostility to and confrontation with Thailand which pre-dates 1975; opposition to ASEAN security ties with the United States; and rejection of ASEAN as an organization and efforts to undermine the unity of ASEAN. These have been reinforced by Vietnam's view of itself as a force for revolutionary change in Southeast Asia and its military ties with the Soviet Union.

Other elements of Vietnamese attitudes may suggest a basis for a policy of coexistence. Vietnamese proposals for cooperation among Southeast Asian nations against China is the most important of these. Hanoi has also spoken of Indochina and ASEAN as two entities that could cooperate, and it professes interest in the neutralization of the region.

In the near term, the struggle in Kampuchea is likely to have the greatest impact on SRV-ASEAN relations. Kampuchea represents the main external problem into which Vietnam is investing significant material resources. It dominates Vietnam's relations with the major powers and is the key issue in the SRV perceptions of ASEAN and the ability of Vietnam to implement its strategy toward the five countries.

A compromise settlement would likely have to involve the following elements: (1) an arrangement coupling the Vietnamese proposal of a partial withdrawal with Thailand's apparent willingness to agree to a Vietnamese withdrawal in stages; (2) establishment of a coalition government in Phnom Penh including Son Sann, Sihanouk, and Heng Samrin but not including the Khmer Rouge; (3) a disarming of the Khmer Rouge or sufficient military power inside Kampuchea to control the Pol Pot forces; (4) an abandonment by China of its long-term objective of a pro-PRC Kampuchea through restoration of Khmer Rouge rule, or agreement by ASEAN and Vietnam to work out a settlement without Chinese concurrence; and (5) guarantees of neutrality for Kampuchea.

A settlement in Kampuchea that substantially reduced the Vietnamese presence and allowed for a government in Phnom Penh with

¹²¹ Nation Review (Bangkok), September 21, 1979; Bangkok Post, January 27, 1982, August 15, 1981, and August 30, 1981; Nation Review (Bangkok), March 23, 1982 and February 27, 1982.

¹²² See, for example, the commentary in *Nhan Dan* (January 11 and 21, 1981), the Communist Party journal, on Japanese Prime Minister Suzuki's visit to Southeast Asia.

some independence from Hanoi would no doubt constitute a basis for coexistence between Vietnam and ASEAN. Such a settlement would remove the issue as a source of contention and would reduce a potential SRV military threat to Thailand. It would partially restore a situation in which Laos and Kampuchea served as a buffer between Vietnam and Thailand. A broad-based government in Phnom Penh would have flexibility in setting its own relations with the ASEAN countries. This, too, could influence Laos to adopt a more independent role. In short, these changes would weaken Vietnam's ability to pressure ASEAN and could induce both parties to invest their energies in regional cooperation and in adjusting their relations with the major powers. However, as previously stated, the prospect for a realization of this solution over the next few years does not appear promising.

A more likely outcome is a continuation of the present anti-Vietnamese resistance in Kampuchea backed by China, Thailand, and the other ASEAN states. This would compel Vietnam in the early 1980's to commit substantial resources to Kampuchea and would further hinder implementation of its economic development plans. ASEAN and China would probably be able to maintain their policy of persuading the world community not to recognize the Heng Samrin region.

Under these conditions, the SRV likely would continue its efforts to undermine ASEAN unity, especially through attempts to isolate Thailand. Sentiment could intensify within the Vietnamese armed forces and political leadership to strike into Thailand in order to eliminate the sanctuaries and sources of supplies for the Khmer resistance and compel Thailand to drop its support of the insurgent groups. Such sentiment could grow if the resistance groups showed new vitality or if a new non-Communist political leadership emerged among them under the aegis of ASEAN. The basis for it already exists in the Vietnamese military's emphasis on conventional military operations and its success with this strategy in the invasion of Kampuchea and the 1975 offensive that defeated South Vietnam.

Vietnamese military strikes into Thailand would bring forth the danger of a full-scale border war between Vietnam and Thailand with the prospect of further escalation and outside intervention, especially from China. It would ensure a hostile relationship between ASEAN and Vietnam for the indefinite future. Even if Vietnam refrained from such action, a continuation of the present situation would make difficult movement toward a relationship of coexistence.

Thailand and ASEAN themselves undoubtedly could not create an effective deterrent to Vietnamese strikes into Thailand. Deterrence would have to come from China and possibly the United States. Their role, on the other hand, feeds the anti-ASEAN attitude of the Vietnamese leadership.

Another more likely outcome is that of Vietnamese success in consolidating its control over Kampuchea with eventual ASEAN acceptance of this state of affairs, including recognition of the Heng Samrin regime. This would remove Kampuchea as a substantial source of hostility between Hanoi and the ASEAN governments. It would create two blocs in Southeast Asia: Vietnamese-dominated Indochina, possibly under a federation or confederation scheme, and the ASEAN

group. The removal of the Kampuchea issue would give Vietnam a wide latitude to determine its approach toward the ASEAN states. Hanoi's objectives and strategy toward Thailand could be the key to evaluating future SRV policy.

The situation of two blocs would give Vietnam and ASEAN the opportunity to establish a relationship of "coexistence" similar to that which has existed in Europe in the 1960's and 1970's. Vietnam would have the latitude to expand that relationship through emphasis on economic agreements, initiatives to revive the Mekong River development project, and a willingness to recognize and negotiate with ASEAN over issues like Southeast Asian neutralization and the role of China and the other major powers. Given Vietnam's military superiority over the ASEAN states, Hanoi could undertake military-related actions to reassure the ASEAN states, including a pullback of forces from the Thai border, a reduction of its military presence in Kampuchea, a partial demobilization, and a lowering of the Soviet military presence in Indochina. These moves could enhance conditions for ASEAN acceptance of nonaggression pacts. If Vietnam did not take such steps out of consideration of China or because of domestic political factors, it undoubtedly would have to accept as a price for coexistence a Thai policy of continued and expanding security relations with China and/or the United States. Thailand could be expected to seek guarantees of its security in the face of a militarized, united Indochina.

Moves toward coexistence would involve changes in the tenets of Vietnam's approach toward ASEAN since 1975. Vietnam would have to give priority to a strategy of cooperation in line with the policy objective of inducing the ASEAN countries to distance themselves from Chinese policies. Hanoi would have to abandon or de-emphasize existing goals of weakening ASEAN unity, influencing changes in ASEAN's political-ideological orientation, and promoting a pro-SRV Communist movement in Thailand. On the other hand, a policy of pressure and confrontation against ASEAN undoubtedly would feature an intensification of these goals. Vietnam could confront the ASEAN states by "upping the ante" for coexistence, demanding that ASEAN cut its links with the capitalist world, eliminate security ties with the United States, and forge closer relations with the Soviet Union and its allies. This strategy likely would entail new attempts to isolate the ASEAN members within the non-aligned movement and a refusal to recognize ASEAN as an organization. Hanoi could instigate a new, mass movement of refugees into the ASEAN states.

A policy of confrontation undoubtedly would escalate the danger to Thailand. Vietnam might attempt anew to isolate Thailand from its ASEAN partners by wooing Malaysia and Indonesia. Laos and Cambodia could intensify long-standing territorial disputes with Thailand. Vietnam could concentrate sizeable elements of its armed forces along the Thai-Indochina border. These actions undoubtedly would force Thailand to devote resources to its armed forces that otherwise would be used for economic development. They also might aggravate Thailand's chronic condition of political instability.

Many observers in the ASEAN countries and elsewhere believe that Thailand's northeastern region is especially vulnerable to future pressure from Vietnam. Vietnam has supported Communist insurgents in the northeast since the late 1950's, including the provision of arms,

training, and sanctuary.¹²³ Despite the Thai Communist Party's "tilt" to China after 1975, testimony by party cadre indicates that Vietnam persisted in attempts to establish a Hanoi-oriented Communist movement.

The northeast is Thailand's poorest region. It is surrounded on three sides by Lao and Khmer territory, and its people are ethnically indistinguishable from the Lao. Thus, the ingredients may exist for a future irredentist or independence movement aimed at the region from Laos and orchestrated by Vietnam. The establishment of a "Thai Isarn Liberation Party" in 1979 illustrates this possibility as does the reported statement in May 1981 by Vietnamese Foreign Minister Nguyen Co Thach referring to northeast Thailand as "the 16 provinces of Laos currently under Thai administration."¹²⁴

If Hanoi emphasized subversion of the northeast, a key question would be the extent of its direct intervention in that region. An indirect approach based on insurgency and political penetration would have the advantage of reducing the chances of a Chinese military move against Vietnam and an adverse international reaction similar to that created after the invasion of Kampuchea. It would place less of a strain on Vietnam's own resources. Conversely, the chances of success over the next 5 or even 10 years would appear unfavorable because of the disarray in the Thai Communist movement and the present small size (200-300 men) of the Thai Isarn Party. Longer term prospects would be problematical. Direct military intervention by Lao and Vietnamese forces would have a greater chance of success. If Vietnam established a federation or confederation of the Indochina states, it would lay a legal basis for direct SRV intervention as part of an irredentist or independence movement. A key consideration for the Vietnamese leadership would be the likelihood of a military response from China and perhaps the United States as well as the extent of support from the Soviet Union.

¹²³ Stuart-Fox, Martin. *Tensions Within the Thai Insurgency*. Australian Outlook, August 1979, p. 184.

¹²⁴ McBeth, John. *Hanoi Blurs the Focus*. Far Eastern Economic Review, June 12, 1981, pp. 12-13. For a description of Lao Communist views toward Northeast Thailand, see Stuart-Fox, Martin. *Factors Influencing Relations Between the Communist Parties of Thailand and Laos*. Asian Survey, April 1979, pp. 333-352.

RELATIONS WITH THE UNITED STATES

INTRODUCTION

Vietnam's confrontation with the United States for over two decades severely limited Hanoi's flexibility in dealing with the United States after the Vietnam war. Having long viewed the United States as their primary international adversary, Vietnamese leaders were hard put or unwilling to make the kinds of compromises that were needed to establish normal diplomatic and economic relations. American leaders were also constrained by memories of the past and by issues resulting from the U.S. military involvement in Vietnam. Americans were particularly concerned over Vietnam's delay in offering a full accounting of American servicemen missing in action (MIA) in the war. Conflict between Vietnamese and American interests in the post-war period over developments in Southeast Asia, human rights, and East-West relations have exacerbated bilateral tensions to a point where prospects for the development of improved relations are poor.¹²⁵

BACKGROUND

The signing of the Paris peace agreement on Vietnam in January 1973 did not moderate the deep distrust and animosity between Hanoi and Washington. No sooner had the Paris accord been signed than both sides began accusing each other of substantial violations. Meetings between Henry Kissinger and Le Duc Tho on the implementation of the peace agreement were followed by Vietnamese complaints of U.S. military support for Saigon forces, U.S. air reconnaissance over North Vietnam and other actions in violation of the Paris settlement. The United States responded with charges of its own against Vietnamese Communist violations.

Hanoi leaders occasionally went beyond standard complaints regarding U.S. actions in Vietnam to condemn broader U.S. foreign policy. They were particularly suspicious of alleged U.S. efforts to isolate North Vietnam from its allies. In January 1974, the Vietnamese foreign minister accused the United States of using a policy of "balanced power among the great powers and crafty, political, diplomatic and economic tricks in an attempt to separate our people from forces advocating peace, national independence, democracy and socialism." He expressed special concern over U.S. ties with China and the U.S.S.R., charging that Washington is "taking advantage of the 'détente' label in

¹²⁵ This section benefited from scholarly analyses of Vietnam's intentions toward the United States that have been published in recent years. See, for instance, Gareth Porter, "Vietnamese Policy and the Indochina Crisis," in Elliott, David (ed.) *The Third Indochina Conflict*. Westview Press, 1981; Niehaus, Marjorie. *Vietnam 1978: The Elusive Peace*. Asian Survey, January 1979. U.S. Library of Congress. Congressional Research Service. *Vietnam: Problems of Normalizing U.S.-Vietnamese Relations*. Issue Brief No. IB77018, by Marjorie Niehaus. Washington, 1977 (archived 07/11/78); Donnell, John C. *Vietnam 1979: Year of Calamity*. Asian Survey, January 1980.

the hope of dividing the socialist countries and the national liberation movement.¹²⁶

After their victory in South Vietnam in 1975, the Vietnamese Communists called for talks with the United States on establishing diplomatic relations. Vietnamese leaders were ambiguous about preconditions for diplomatic normalization, though they generally called on the United States to observe "all the basic principles" of the Paris agreement, including the provision of U.S. postwar aid for Vietnam set forth in Article 21 of the agreement. Ford administration spokesmen dismissed Vietnam's demand for aid on grounds of Hanoi's "massive violations" of the Paris peace agreement. They also said there could be no normalization of relations without a full accounting of Americans missing in action during the war and until Vietnam's long-range plans for Southeast Asia became more clear. The United States vetoed Vietnam's applications for membership in the United Nations on three occasions during 1975-76.¹²⁷

CARTER ADMINISTRATION POLICY, 1977

The Carter administration changed U.S. policy toward Vietnam. It approached the issue from the standpoint of "healing the Vietnam War scars" in the United States and moving to a positive bilateral relationship with Vietnam. Deputy Secretary of State Warren Christopher said in regard to Vietnam in June 1977 that: "We have moved as rapidly as we could to put the tragedies of the past behind us. Vietnam, united, is a powerful nation of over 50 million people, which we trust will live peacefully with its neighbors in Southeast Asia. We want to have normal and mutually beneficial relations with that important nation."¹²⁸

The Carter administration took several steps to improve relations with Vietnam, in the hope that outstanding United States-Vietnamese problems could more easily be resolved within an environment of government-to-government exchange. On March 2, 1977, the administration relaxed restrictions against trade by allowing foreign ships and planes which called in or were bound for Vietnam to refuel in the United States. Restrictions on American travel to Vietnam were allowed to expire on March 18, 1977. President Carter sent a Commission to Vietnam in March 1977 to discuss matters affecting mutual interests. On April 15 the U.S. Postal Service announced that it would accept for mailing to Vietnam standard postcards, letters and small packages. After Vietnam returned the remains of 11 MIAs to the United States in March 1977, the administration said it was "pleased" with the Vietnamese efforts.

The administration agreed to talks on establishing normal relations in May and June 1977. During these talks, U.S. negotiators announced that the United States would no longer veto Vietnam's application for U.N. membership. (On July 20, 1977, the U.N. Security Council recommended by consensus without formal vote that Vietnam be admitted to the United Nations.) The U.S. side proposed that diplo-

¹²⁶ Foreign Broadcast Information Service (FBIS). Trends in Communist Media, January 30, 1974, pp. 8-9.

¹²⁷ For background, see Niehaus, Marjorie. Vietnam: Problems of Normalizing U.S.-Vietnamese Relations. Issue Brief No. IB77018.

¹²⁸ U.S. Library of Congress. Congressional Research Service. The Role of Congress in Normalizing Relations with Vietnam. Typed Report, by Marjorie Niehaus, July 18, 1977. Washington, 1977.

matic relations quickly be established between the United States and Vietnam, after which the United States would lift export and asset controls with Vietnam.¹²⁹

The Vietnamese responded cautiously to the new policy approaches. Radio Hanoi broadcasts shortly after the May talks still linked diplomatic relations with U.S. economic aid for reconstruction and repair of war damages. Vietnam's negotiator in Paris, Deputy Foreign Minister Phan Hien, told the press of Vietnamese demands for \$3.25 billion in U.S. reconstruction grant aid, \$1 to \$1.5 billion in food and commodity aid, and about \$150 million for Vietnamese assets of the Saigon government under American control. The Vietnam News Agency broadcast a statement on May 11 which declared that until the United States granted aid to Vietnam, Vietnam would refuse to establish diplomatic relations with the United States and would not seek to locate information on American MIAs. The broadcast said that all three items were part of the Paris peace agreement of 1973 and, therefore, were "interrelated." On June 3, however, the Vietnamese Government gave the United States the names of 20 American military personnel who had been unaccounted for in the war but whose remains the Vietnamese had now identified and would return to the United States. Phan Hien said on June 21, 1977, in Paris that "Vietnam is flexible in its view of the form American compensation for war damage would take."¹³⁰

The U.S. Congress did not respond favorably to the Carter administration's policy initiatives or the Vietnamese response. Members were particularly opposed to Vietnam's insistence on aid. Soon after the U.S. meetings with the Vietnamese in May and June 1977, both Houses went on record as strongly opposing bilateral and multilateral U.S. aid to Vietnam.

VIETNAM'S INITIATIVE, 1978

The impasse in U.S.-Vietnamese relations persisted until mid-1978 when the Vietnamese leaders made a series of changes in their foreign policy—including policy toward the United States—in response to growing pressures on Vietnam from China and Kampuchea. Up to that time, the Vietnamese leaders presumably had judged that establishing diplomatic relations with the United States was not of sufficient value for Vietnamese interests unless it were accompanied by a U.S. commitment for large-scale aid. The Vietnamese may have judged that they could afford to wait for a moderation in the U.S. position on aid.

In mid-1978, Hanoi gave higher priority to improved ties with the United States. Vietnamese leaders signaled that they no longer required U.S. aid as a precondition for establishing diplomatic relations.

The new approach was highlighted on August 5, 1978, when Assistant Foreign Minister Ngo Diem said in Hanoi that Vietnam was willing to treat the issues of normalization and aid separately, thereby side-stepping the major U.S. objection to Hanoi's previous stand on

¹²⁹ Niehaus, *The Role of Congress in Normalizing Relations with Vietnam*, pp. 4-5.

¹³⁰ See Foreign Broadcast Information Service, *Daily Report, Asia and Pacific*, May 11, 1977, p. K1; June 3, 1977, p. K8; and June 22, 1977, p. K1. For background information see Niehaus, *The Role of Congress in Normalizing Relations with Vietnam*, pp. 4-5.

normalization. Hanoi also gave an unusually warm reception on July 31 to a U.S. Senate delegation which succeeded in securing the release of 29 relatives of Americans who had been stranded in Vietnam since the end of the war. Hanoi's new approach was also seen in July when Vice Foreign Minister Phan Hien told the Japanese media on the 10th that Hanoi wanted to see a "new era" in Vietnamese-United States relations and would act "nimble and flexibly" to reach a settlement on establishing diplomatic relations that would be "agreeable to both sides."¹³¹ In late September, Vietnamese Secretary of State Nguyen Co Thach met with Assistant Secretary of State Richard Holbrooke at the United Nations for discussions on establishing diplomatic relations. Press reports indicated that the Vietnamese negotiator dropped Hanoi's previous demand for U.S. aid as a precondition for establishing diplomatic relations.¹³²

Vietnam's precise motives for its shift in approach remain subject to debate, but several appear reasonable. New ties with Washington might have reduced the trend in U.S. policy to identify more closely with China in its confrontation with Vietnam. Without U.S. backing, China might have been more cautious in dealing with Vietnam over the Khmer-Vietnamese war and other issues. Better relations with the United States would also have helped improve Hanoi's image among the ASEAN states—a prime objective in Vietnam's foreign policy at that time. It would have given the Vietnamese more leverage in negotiations with the U.S.S.R. Vietnam in the past had used the Sino-Soviet split with generally good results in negotiations with the U.S.S.R. It may have hoped that new ties with Washington would have made Moscow more forthcoming with aid and strategic support. Finally, the Vietnamese economy was in serious decline by 1978 and could have benefited from American supplies and advisers that had been cut off pending the establishment of diplomatic relations.

U.S. leaders treated Vietnam's overtures with reserve; they delayed following up on Hanoi's proposals. The signing of the Soviet-Vietnamese friendship treaty in November 1978 and the Vietnamese invasion of Kampuchea in December 1978 effectively undercut U.S. interest in improved ties.

A variety of factors inclined U.S. policymakers toward caution in dealing with Vietnam's initiative. Congressional votes opposed to aid to Vietnam in 1977 and 1978 had shown that accommodation with Hanoi would not be popular in the United States. Accommodation with Vietnam also could have complicated other important administration initiatives in East Asia which were meeting with congressional resistance, notably the decision to withdraw U.S. forces from Korea. Still secret U.S. negotiations on establishing diplomatic relations with China would almost certainly have been upset, as China had made clear by mid-1978 that it viewed Vietnam as a major adversary and a close associate of its main enemy, the U.S.S.R. Hanoi's growing ties with Moscow, its expulsion of increasing numbers of Overseas Chinese, its ambiguous stance on support for revolution in non-Communist Southeast Asia, and its aggressive designs on Kampuchea also seemed to contradict American interest in fostering a stable Southeast

¹³¹ These moves are reviewed in FBIS, *Trends in Communist Media*, August 9, 1978, pp. 9-10.

¹³² *Far Eastern Economic Review*, Asia. 1979 Yearbook, p. 321.

Asian environment based on good relations with China and the ASEAN nations.¹³³

It can be argued that the United States was shortsighted in failing to use this opportunity to establish ties with Hanoi and broaden Western influence in Vietnam. U.S. diplomatic and trade ties might have allowed the United States—perhaps acting in concert with other Western states and Japan—to woo the Vietnamese away from close reliance on the U.S.S.R. and toward a more accommodating stance vis-a-vis its neighbors. As it turned out, the United States appeared to side with China against Vietnam, and this may have helped to drive the Vietnamese into a closer relationship with the U.S.S.R. and undercut Western ability to persuade Vietnam to forego an all out military assault on Kampuchea.

Such arguments assume an extraordinary prescience on the part of U.S. leaders. More critically, they also assume a willingness on the part of Hanoi to curb its regional ambitions for the sake of good relations with the West. They soft-pedal or ignore the wide range of factors which made a cautious U.S. response to Vietnam's overture a reasonable American option under the circumstances.

By the turn of the year, prospects for improved American-Vietnamese relations were nil. Vietnam had aligned with the U.S.S.R., invaded Kampuchea, and was in direct military confrontation with China. The United States had normalized relations with China and was preparing to welcome Chinese Vice Premier Deng Xiaoping for a visit that was to be marked with repeated Chinese warnings against Vietnam. American leaders had strongly condemned Vietnam's aggression against Kampuchea, reaffirmed support for Thailand, and were working closely in parallel with China and the ASEAN states in order to shore up resistance to Vietnam and its Soviet backer. Meanwhile, the exodus of refugees from Vietnam grew and was seen in the United States as one of the worst violations of human rights in the 20th century.

Vietnam came to view the United States as the principal accomplice of its new main enemy, China. Hanoi strongly implicated the United States in China's decision to invade Vietnam in February 1979, charging that the United States had approved the invasion plan during Vice Premier Deng Xiaoping's visit to Washington in January 1979. Vietnam also continued to criticize U.S. bases in Southeast Asia and U.S. military aid to the ASEAN states, especially Thailand. And it took a harder line on diplomatic normalization. In mid 1979, the Vietnamese media used the occasion of visits to Hanoi by U.S. Congressmen to stress Vietnamese resistance to U.S. pressure for policy changes (e.g., a withdrawal of Vietnamese troops from Kampuchea) and their unwillingness to accommodate the United States in order to establish diplomatic relations.¹³⁴ In an August 16 interview with the Vietnam News Agency, Vietnamese Secretary of State Nguyen Co Thach said Hanoi had informed the American Congressmen that it would decidedly not accept the imposition of U.S. "conditions" and had "made it clear" that the situation in Kampuchea was "irreversible." Thach reiterated Hanoi's basic interest in normal relations with the United States, but he indicated no urgency and declared that Vietnam had

¹³³ See Niehaus, Marjorie, *Vietnam 1978: The Elusive Peace*, pp. 92-94.

¹³⁴ FBIS, *Trends in Communist Media*, March 7, 1979, p. 6; August 22, 1979, p. 1.

"existed for four thousand years and would continue to exist and prosper even without any relations with the United States."¹³⁵

FUTURE PROSPECTS

Developments since the election of President Reagan have appeared to presage continued conflict in United States-Vietnamese relations. Although the Reagan administration has been thought by some to give relations with China a somewhat lower priority than the Carter administration, its policies in Southeast Asia remain basically in accord with Chinese interests and opposed to Vietnamese interests. Thus, the Administration has reaffirmed strong support for Thailand and other ASEAN states, has backed efforts by Khmer resistance groups to form a united front against the Phnom Penh regime, has taken a firm position against Soviet-backed expansion in Southeast Asia, and has reaffirmed the U.S. military presence in the region.

Vietnam, for its part, has remained preoccupied with the threat from China and has continued to rely on Soviet support to offset Chinese pressure and maintain the Vietnamese hold on Indochina. Vietnam remains disinclined to seek better ties with the United States because the United States continues to oppose Vietnam's ambitions in Indochina and relations with the United States would not be of much help in Vietnam's fundamental efforts concerning China and Indochina.¹³⁶

If a compromise settlement in Kampuchea were reached, several problems in United States-Vietnamese relations might be reduced, perhaps improving the prospects for establishing United States-Vietnamese relations. (These problems include U.S. support for Thailand against Vietnamese forces in Cambodia, U.S. support for diplomatic efforts to oppose the international recognition of the Vietnamese-backed Phnom Penh government, and U.S. support for greater cooperation among the ASEAN countries in the face of Vietnamese expansion in Cambodia.)

U.S. planners then might judge that the United States would have more to gain by trying to improve relations with Vietnam and encouraging other Western states to follow suit. In this way, the United States might try to woo Vietnam away from its close dependence on the U.S.S.R., reduce the likelihood that the Soviet Union would be able to use Indochina as a major military base of operations, and ease conflict and instability in Southeast Asia.

However, the risks of such an approach appear substantial, and its chances of success are open to question. Chinese leaders are almost certain to react negatively to U.S. accommodation with Vietnam, even with a compromise Kampuchea settlement. Support in the United States might be slow to build as Americans recall past negative experiences in negotiations with Vietnam. Unless China was so affected by the U.S. policy change or other factors that it moderated its own policy toward Vietnam, the U.S. shift would be unlikely to alter Vietnam's close dependence on the Soviet Union. Hanoi would still see China as an immediate danger to its security and interests in Southeast Asia; and it would continue to face economic problems, including a lack of sufficient food for its population. The Soviet Union

¹³⁵ Ibid.

¹³⁶ See the review of Vietnam's situation in: Pike, Douglas. *Vietnam in 1980: The Gathering Storm?* Asian Survey, January 1981.

has been the only country the Vietnamese have been able to count on for essential support to deal with these issues.

From a current perspective, therefore, a major breakthrough in Vietnam's relations with the United States seems to depend ultimately on a change in the Vietnam-China-Soviet relationship. At present, the confrontation between Vietnam and China shows no sign of abating, Vietnam's dependence on the U.S.S.R. continues to be strong, and the Soviets provide Vietnam with needed support. At the same time, the United States remains adamantly opposed to Vietnamese-Soviet efforts to expand in Indochina and Southeast Asia and supports international efforts to confront and resist such expansion. In this context, the likelihood that an American overture toward Vietnam is remote, and there is little chance that such an overture would substantially reduce Vietnam's ties with the U.S.S.R., curb the Soviet military influence in Indochina, or reduce tensions in the region.

CONCLUSIONS: IMPLICATIONS FOR U.S. POLICY

The major conclusions of this study can be summarized as follows. With regard to Vietnam's internal policies, the Hanoi government can be expected to continue programs to impose the Communist system of the North upon the South despite some allowance for temporary private economic activities. The Vietnamese economy will likely remain in a depressed condition for the foreseeable future, and Vietnam will be heavily dependent on Soviet economic support. Politically, the regime's position should be stable despite active internal opposition groups in the South. One change probably will be within the government and Communist Party: the growing political role of the Army.

Barring radical changes in its economy and its relations with the U.S.S.R., Vietnam's foreign policy will continue to be governed by Hanoi's drive to dominate Laos and Kampuchea and its rivalry with and fear of China. Thus, Vietnam can be expected to maintain military forces in Laos and Kampuchea unless it becomes physically unable to do so. There appears to be little prospect of an end to the hostility between Vietnam and China. In Vietnam's eyes, China probably will remain the overriding threat to SRV security and foreign policy objectives. China seems unwilling to relax its pressure on Vietnam even if Hanoi agreed to compromise on Kampuchea.

Consequently, Vietnam is likely to remain a close ally of the Soviet Union. If this proves the case, Moscow will retain military access to Indochina and may be able to expand its presence in the future.

Vietnam's goals and motives toward the neighboring ASEAN states are complex, and priorities have changed since 1975. Nevertheless, a future SRV approach based on pressure and confrontation appears more likely than one based on coexistence. This especially would seem the case if the Kampuchea conflict continues or if Vietnam succeeds in consolidating its control over that country. Vietnamese policy toward Thailand looms as the key test of Hanoi's future intentions.

These factors appear to lead to the conclusion that Vietnam will be an unsettling element in Southeast Asia in the 1980's. This is reinforced by certain characteristics of the Vietnamese regime which show little change: the cohesion of the regime and its enduring values of single-mindedness and tenacity, the importance of military force as a policy instrument; the development of the Vietnamese army into a potent instrument of conventional warfare, and the persistent pattern of placing political, ideological and military goals ahead of economic goals.

Military conflicts are a possibility for the future. The war in Kampuchea could fester and expand into a Vietnamese-Thai conflict. A second conflagration between Vietnam and China could break out if either party takes certain steps contrary to the perceived vital interests of the other. More distantly, Vietnam may have aggressive designs on Thailand.

A scenario that would produce a more stable Vietnamese role would probably involve some combination of five developments taking place:

(1) a major change in the Vietnamese political leadership, (2) a Kampuchea settlement that was satisfactory to both Thailand and Vietnam, (3) a reordering of Vietnamese perceptions and policy objectives toward ASEAN to emphasize coexistence, (4) a process of détente between Vietnam and China, and (5) a sharp reduction in the Soviet presence in Indochina. The latter two developments appear especially unlikely, and there is little evidence to rate very high the possibility of the first three—although conditions affecting them might be subject to greater change.

Since the end of the Vietnam war, the involvement of China, the Soviet Union, and even Japan in Southeast Asia served to halt post-war American disengagement from that region and influence the United States to stabilize its role and adopt a more activist approach. Future Vietnamese actions affecting the interests of these powers will likely accentuate this trend. Consequently, U.S. policy with potential impact on Vietnam undoubtedly will focus on several issues: the extent to which the United States should cooperate with China in dealing with Vietnam; the scope and type of American involvement in the Kampuchea war; and the appropriate level of U.S. military and economic support for Thailand, ASEAN's frontline state.

Three policy options appear to face the United States in dealing with Vietnam in the immediate future. Given the generally moderate level of importance of the United States in current SRV perceptions and the more direct impact of the U.S.S.R., China, and ASEAN, it is uncertain whether any of the three would directly influence Vietnamese conduct. Their impact more likely would come through the responses of China and ASEAN. The United States has sought to cooperate with China and ASEAN through a kind of balancing role to promote a unified approach toward Vietnam. This strategy has become more difficult as differences between China and ASEAN over Kampuchea have grown apparent, especially with regard to the role of the Khmer Rouge and the advisability of trying to negotiate a compromise with Vietnam. ASEAN increasingly is emphasizing support for the non-Communist Khmer groups in order to bolster the anti-Vietnamese resistance but also induce Vietnam to negotiate a compromise that, among other things, would isolate the Khmer Rouge. ASEAN's goals toward Vietnam focus more exclusively on Kampuchean neutrality and Thailand's security, while China seeks more sweeping changes in Vietnam's policies and a restoration of its influence in Indochina.

Chinese and ASEAN strategies can affect the choices open to Vietnam in formulating future policy. Insofar as the United States adjusts its balancing role between China and ASEAN, it can influence indirectly these choices. U.S. options are:

(1) Emphasis on cooperation with China against the Soviet Union and Vietnam: Current U.S. policy increasingly contains elements of this option. This entails cooperation with China with the long term aim of containing and weakening Vietnam economically and militarily to such an extent that Hanoi would have to withdraw from Laos and Kampuchea, accept neutral regimes in those countries, terminate actions that threaten Thailand, and force the Soviet Union to end its military presence. This would be part of an overall American strategy of closer security cooperation with China against the Soviet Union. The U.S. approach could involve the extension of material support to resistance forces in Kampuchea and perhaps Laos, con-

tinued support for the Khmer Rouge regime at the United Nations, diplomatic action to limit economic aid to Vietnam from other Western countries and international organizations, possible arms aid to Chinese forces along the Vietnamese border, and stepped up military support for Thailand.

The United States would continue such a strategy unless Hanoi adopted policy changes in all of the above areas. An approach entailing total pressure would preclude overtures to Vietnam involving aid or diplomatic relations. The United States would seek to keep the ASEAN countries in line with this strategy by encouraging ASEAN support for it and remaining aloof from ASEAN initiatives that China does not support.

(2) Emphasis on the Kampuchea issue and Thailand in cooperation with ASEAN: This would involve cooperation with ASEAN to influence events in Kampuchea so that Vietnam might be more amenable to a genuine compromise settlement. The United States would assist ASEAN states in promoting and strengthening non-Communist resistance forces in Kampuchea. Washington would back the creation of a united front of resistance groups in which the non-Communists would have the lead role in relation to the Khmer Rouge. It would support efforts by ASEAN to negotiate with the Vietnamese and would work with ASEAN to establish safeguards that would prevent the Khmer Rouge from re-establishing their authority following a settlement. Vietnam thus would have an alternative to negotiating a settlement that would result in the return to power of the Khmer Rouge. The United States would offer Vietnam diplomatic relations, trade and aid following a settlement that established a neutral Kampuchea. U.S. military and economic support for Thailand would be strengthened. Under this approach, the United States would distance itself from Chinese policies, including PRC support for the Khmer Rouge and the Chinese position opposing overtures to Vietnam unless Hanoi alters its overall foreign policy. Washington would pressure China to bring its strategy in line with that of ASEAN and the United States on these issues.

(3) Accommodation with Vietnam: This would involve direct U.S. offers to Vietnam of diplomatic relations, trade, and aid. The United States would accept a pre-eminent Vietnamese role in Kampuchea and Laos but would offer the above items in the hope that strengthened United States-SRV ties and reduced pressure on Vietnam would influence Hanoi to reduce the Soviet presence, take a more moderate approach toward ASEAN, and provide a more complete accounting of American MIAs. Washington would provide no aid to resistance groups in Kampuchea. It would recognize the Heng Samrin government or at least adopt a policy supporting an unoccupied seat for Kampuchea in the United Nations and elsewhere. Aid to Thailand would not increase. U.S. overtures to Vietnam would be unilateral and not tied to ASEAN or Chinese policies. They would represent a departure from ASEAN and Chinese strategies, and part of the U.S. approach would consist of efforts to convince the ASEAN states and the PRC not to oppose the United States position. It would be especially difficult to persuade China to abandon its policy of pressure. One suggestion would have the United States try to form a coalition with ASEAN, Japan, and Western Europe in order to isolate China and bring pressure on Beijing to accept the U.S. approach.